



Raydan Food Company

شركة ريدان الغذائية

Board of Directors' Report
Raydan Food Company

On the Company's Performance and Activities
For the Fiscal Year 2025



www.raydan.com

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01 About Raydan Food Company

1-1 Chairman's Message

Mr. Nair Bayan Al-Sulami



Dear Shareholders of Raydan Food Company,

Greetings,

The Board of Directors of Raydan Food Company is pleased to present to you its annual report for the fiscal year ending December 31, 2025. This year witnessed continued economic challenges and rising operating costs, which affected the performance of the sector in general and the company's results in particular. Despite these circumstances, the company took significant steps during the year to restructure its financial position and enhance its ability to face future challenges.

The year 2025 included several important regulatory and financial measures, most notably the Board of Directors' recommendation to reduce the company's capital, followed by a plan to increase it through a rights issue. The capital reduction file was submitted to the Capital Market Authority and subsequently approved. In addition, both the Ordinary and Extraordinary General Assemblies were convened to discuss and approve these steps. The year also witnessed several announcements related to the company's financial position, along with the deposit of fractional share proceeds resulting from the capital reduction into the accounts of eligible shareholders.

The company also continued during the year to review its operational processes and prioritize its activities through restructuring its operational sectors and the general administration. Furthermore, procedures were initiated to liquidate the company's subsidiary in the Arab Republic of Egypt, with the aim of focusing resources on activities that offer greater value and align with the company's future strategy.

The Board of Directors reaffirms its full commitment to implementing the regulations and guidelines issued by the Ministry of Commerce and the Capital Market Authority, and to strengthening the principles of governance and transparency in a manner that safeguards shareholders' rights and supports the company's long-term sustainability.

In conclusion, the Board of Directors extends its sincere appreciation and gratitude to the company's shareholders for their trust and support, and to all employees for their efforts throughout the year

With Best regards,,,

1-2 Establishment

Company Establishment: 1416 AH – 1995 AD

The company began its operations as a sole proprietorship registered in the Commercial Register in Jeddah under number 4030064059, dated 12/07/1409H (19/02/1989G), under the name Al-Salmi Real Estate Development Group. It also had another branch under the name Raydan Kitchens and Restaurants, registered in the Commercial Register in Jeddah under number 4030123324, dated 18/09/1418H (17/01/1998G).

In 1995, Raydan Food Company (the “Company” or “Raydan”) was established in Jeddah as a sole proprietorship. In 2008, Raydan was converted from a sole proprietorship into a Saudi closed joint-stock company pursuant to the Minister of Commerce and Industry Resolution No. 149/Q, dated 29/04/1429H (05/05/2008G), announcing the establishment of the company in accordance with Commercial Register No. 4030180055, issued in Jeddah on 11/06/1429H (15/06/2008G).

In February 2017, the company was listed on the Parallel Market (Nomu), and subsequently transferred, listed, and began trading its shares on the Saudi Main Financial Market (Tadawul) in November 2019.

The company’s current share capital is SAR 73,136,030 (Seventy-Three Million, One Hundred Thirty-Six Thousand and Thirty Saudi Riyals), divided into 7,313,603 shares, with a nominal value of SAR 10 per share, fully paid.

Company Vision

To lead in quality and excellence in offering Arabic cuisine in line with the latest global standards.

Company message

Excellence in all products and services provided, with a strong commitment to meeting customer needs.

Values

Leadership, Quality, Authenticity, and Trust.

Branding

Trust, originality, quality, excellence

Company objectives

Raydan Company aims to achieve a leading position in the local, regional, and global markets through its specialization in food services, event catering, and the provision of food catering services. The Company strives to meet customer needs and excel in delivering the highest levels of quality, value, service, and hospitality, while preserving its brand identity and ensuring the careful selection and development of Saudi talent in support of national localization programs.



02 Company Activity and Main Business Lines

3-1 Main Activities of the Company

According to its Articles of Association, the company's main activities include:

- Full-service restaurants
- Catering and food services

3-2 Business Models

Raydan operates under a business model that includes three main formats: company-operated restaurants, franchise operations, and institutional catering. The number of the company's branches reached 21 by the end of November 2025, before the Al-Qunfudhah branch was closed in mid-December, bringing the total number of branches to 20 as of 31-12-2025.

- Direct Operations
- Franchising
- Catering and Food Services

3-3 Branch Operations, Achievements, and Catering Activities

Below is an explanation of the performance of Raydan Food Company's operations in Saudi Arabia, including its achievements and its catering and food-service activities.

1) Raydan Branches and Achievements

Raydan Food Company operates within the food services sector in the Kingdom of Saudi Arabia through a network of 21 branches as of the end of November 2025, distributed across Jeddah, Makkah, Madinah, and Al Qunfudhah. In mid December 2025, the Al Qunfudhah branch was closed, bringing the current number of branches to 20.

These branches offer a wide range of services that meet the needs of visitors seeking authentic traditional cuisine widely known across the Kingdom

2) Catering and Food Services

The catering division focuses on achieving its objectives through the following:

- Offsite events and banquets
- Catering meals for companies, factories, mosques, and charitable organizations
- Catering services for domestic and international pilgrims
- Contributing to product development by introducing new menu items

3-4 Subsidiaries and Assoc

1) Raydan Kitchens & Restaurants – Egypt (Subsidiary)

The subsidiary in Egypt remains fully owned by Raydan Food Company with a capital of EGP 50,000. After previously selling its operational assets and granting franchise rights in 2021, Raydan decided in 2025 to initiate full liquidation procedures for the subsidiary to avoid losses resulting from currency fluctuations and to focus resources on more viable activities.

The financial impact of the liquidation will be reflected in the consolidated financial statements upon completion of regulatory procedures, while the Raydan franchise in Egypt will continue unaffected.

2) Company's Share in Associate Company (Aljonah)

- **Company Name:** Aljonah Co. Ltd. (LLC)
- **Country of Incorporation:** Kingdom of Saudi Arabia
- **Main Activities:** Off-site events, catering services, and prepared and unprepared food services

Ownership: 30% of Aljonah capital as of 31 December 2025

3-5 Support for Community Institutions

Raydan Food Company, stemming from its sense of social responsibility, sought to support one of the charitable organizations this year by providing services to the beneficiaries of Nama Charity at discounted prices. The company also adopted a social responsibility policy as a guiding framework that helps clarify the general direction of the initiatives it undertakes in accordance with best practices.

3-6 Company Strategies

The company's operational improvement strategy focuses on:

- Updating and developing the menu to meet customer needs
- Granting franchise rights in new geographic areas
- Enhancing branch interior designs by applying the company's new identity
- Protecting the brand through local and international promotion
- Continuing to improve operational and marketing performance, product quality, and community engagement
- Establishing strategic agreements with key suppliers and diversifying supply sources
- Attracting qualified Saudi talent to support the company's growth strategy

- Improving growth and profitability by executing expansion plans and opening targeted branches
- Preserving the company’s identity and history while continuously improving operations and marketing

Rayden’s strategy is built on six pillars:

1. Expansion and Growth
2. Brand Image
3. Human Capital
4. Customer Care
5. Financial Resources
6. Operational Excellence

3-7 Future Outlook

Based on the above, and in light of the changes witnessed in consumer behavior across the Kingdom—particularly the gradual shift in the post-COVID-19 period toward increased reliance on delivery services and applications—the company adopted a strategy aimed at boosting sales through delivery channels. This included upgrading and expanding the services of the Delivery Service Center and subscribing to major delivery applications to capture a larger market share.

The company also seeks to secure competitive prices from suppliers to support special promotions offered during specific periods each month, with the goal of increasing monthly sales.

The company’s future outlook, driven by its continuous efforts to reach the largest possible customer base and serve them through new methods and approaches, positions it to enhance performance and achieve the desired growth, while delivering the highest levels of customer service.

The company recognizes that achieving these goals depends on a strong and qualified workforce; therefore, it continues to invest in human capital and attract skilled professionals capable of delivering the best value to its customers and investors.

In line with these plans, and considering current and expected market conditions as well as the challenges surrounding the sector, the company aims to maintain its market share, improve performance, and develop alternative solutions to reduce costs.

Government initiatives—such as Saudi Vision 2030, which focuses on infrastructure development and the expected rise in the number of tourists entering the Kingdom—are likely to create opportunities for restaurant companies to expand and increase sales.

3-8 Risks Facing the Company

Risk management at Raydan is overseen by senior management in accordance with policies approved by the Board of Directors. Risks are identified, assessed, and mitigated through close coordination among departments, evaluating the likelihood and potential impact of each risk, and taking necessary measures to minimize or contain them.

• Risk Analysis

The risk analysis process includes identifying risks, their causes, and related events, along with other analytical elements documented in a detailed risk register. Risks are assessed based on probability and impact, whether positive or negative.

• Risk Assessment

Risk assessment aims to link risk analysis with prioritizing risks for treatment, using predefined criteria in the risk matrix. Risks are monitored periodically in the risk register, and reports are issued on the adequacy of current mitigation measures.

Key risks associated with Raydan's activities include:

1. Economic Risk Management

Risks affecting the overall economy inside or outside the Kingdom, which may impact consumer and institutional spending, as well as suppliers and manufacturers.

2. Strategic Risk Management

Risks arising from failure to anticipate economic changes, poor strategic decisions, or improper strategy implementation. Raydan mitigates these risks through market studies, economic analysis, and reliance on experienced professionals.

3. Operational Risk Management

Risks affecting operational processes, including:

- **Human Resources Risks:**
Challenges in attracting and retaining qualified talent. The company continuously hires and trains national staff and develops incentive programs to enhance employee retention and performance.
- **Legal Risks:**
Risks related to legislative or regulatory changes in the Kingdom or other countries where Raydan operates, including taxes and labor laws.
- **Growth Opportunity Risks:**
Hidden or unexpected costs, challenges in maintaining expansion pace, or difficulty retaining customers and converting them into loyal clients.
- **Technological Risks:**
Risks related to operational continuity in case of technical failures. Raydan continues to enhance and support its technical systems and alternative solutions.

4. Financial Risk Management

The group aims to maintain its ability to continue operations, deliver returns to shareholders, and sustain a strong capital base to support long-term growth.

The ratio of the company's adjusted net liabilities to net equity is as follows:

Statement (Value in Thousands)	31 December 2025	31 December 2024
Total Liabilities	119,403	115,459
Cash and Cash Equivalents	1,353	1,199
Net Liabilities	119,403	115,459
Total Shareholders' Equity	17,146	80,978
Adjusted Shareholders' Equity	17,146	80,978
Net Liabilities to Shareholders' Equity Ratio	(4.20)	(4.62)

- **Credit Risk:**

Credit risk arises when one party to a financial instrument is unable to meet its obligations, resulting in a financial loss to the other party. Concentration risk emerges when several counterparties engage in similar activities, operate within the same geographical areas, or share similar economic characteristics that may hinder their ability to fulfill their contractual obligations. To mitigate credit risk, the company has implemented regulatory approval procedures for credit limits granted to its customers, based on comprehensive customer evaluations and historical payment patterns.

Management also continues to monitor credit risks related to customers and to recognize a provision for expected credit losses. Outstanding customer balances are monitored on an ongoing basis. Cash and cash equivalents are deposited with local banks that have high credit ratings. Trade receivables and other receivables primarily arise from customers in the market and have been presented at their estimated recoverable amounts.

Below is the total maximum exposure to credit risk to which the company is exposed:

<u>31 Dec 2024</u>	<u>31 Dec 2025</u>	<u>Note</u>	
544,538	1,097,188	12	Bank Balances
3,962,819	4,282,994	10	Trade Receivables
2,071,461	1,166,326	26	Due from Related Parties
7,084,033	3,798,258	11	Other Receivables
<u>13,662,851</u>	<u>10,344,766</u>		

- **Liquidity Risk:**

Liquidity risk represents the difficulties an entity may face in providing the funds required to meet obligations related to financial instruments. Liquidity risk may arise from the inability to sell a financial asset quickly and at an amount close to its fair value. Liquidity risk is managed through continuous monitoring of liquidity levels and ensuring the availability of adequate financial resources. Concentration of liquidity risk may result from the terms of settlement of financial liabilities, sources of financing and loans, or reliance on a specific market to obtain liquid assets.

Below are the contractual maturities of the financial liabilities at the end of the period, presented at their gross and undiscounted amounts.

Total Carrying Amount	Un-discounted Contractual Cash Flows					
	Total Contractual Maturities	Interest Payable for Future Periods	More Than Three Years	From One to Three Years	One Year or Less	
						<u>2025</u>
3,367,843	3,367,843	--	--	--	3,367,843	Non-derivative Financial Liabilities
24,660,226	24,660,226	--	--	--	24,660,226	Loans
33,724,205	33,724,205	--	--	--	33,724,205	Trade Payables
47,949,888	58,135,746	10,171,373	21,640,000	26,946,553	9,549,194	Accrued Expenses and Other Payables
						Lease Liabilities
						<u>2024</u>
5,215,942	5,215,942	719,114	--	1,921,543	2,575,285	Non-derivative Financial Liabilities
21,911,735	21,911,735	--	--	--	21,911,735	Loans
19,583,256	19,583,938	--	--	--	19,583,938	Trade Payables
56,567,099	69,143,449	13,338,911	23,120,000	21,896,808	10,787,730	Accrued Expenses and Other Payables
103,278,032	115,855,064	14,058,025	23,120,000	23,818,351	54,858,688	Lease Liabilities

The cash flows included in the above maturity analysis are not expected to occur earlier or at amounts that are materially different

- **Market Price Risk:**

Market price risk is the risk of fluctuations in the value of financial instruments due to changes in market prices, such as foreign exchange rates and interest rates, which may affect the company's profit or the value of its financial assets.

The objective of market risk management is to manage and maintain exposure within acceptable limits while optimizing returns.

- **Currency Risk:**

Currency risk represents the fluctuation in the value of a financial instrument as a result of changes in foreign exchange rates. The company is not materially exposed to foreign currency exchange rate fluctuations during its normal operating cycle, as its significant transactions during the year were conducted in Saudi Riyals and US Dollars. Since the Saudi Riyal is pegged to the US Dollar, there are no significant risks associated with transactions and balances denominated in US Dollars.

- **Interest Rate Risk:**

Interest rate risk is the exposure arising from the impact of fluctuations in prevailing interest rates on the company's consolidated financial position and cash flows.

03 Financial and Operational Results

3-1 Consolidated Statement of Income (Profit and Loss)

2024	2025	Note	
155,367,760	114,080,252	21	Revenue
(154,150,349)	(125,517,628)	22	Cost of Revenue
1,217,411	(11,437,376)		Gross (Loss) / Profit
(12,181,669)	(7,625,906)	23	Selling and Marketing Expenses
(17,007,379)	(15,764,768)	24	General and Administrative Expenses
(32,707,509)	(5,551,671)	5	Impairment of Property and Equipment
(4,771,687)	1,269,318	7	Reversal of Impairment of Right of Use Assets
--	534,890		Reversal of Allowance for Impairment of Other Receivables
5,000	(636,890)	5	(Losses) / Gains on Disposal of Property, Plant and Equipment
(600,778)	(1,601,572)	10	Expected Credit Losses
(66,046,611)	(40,813,975)		Operating Loss
(465,186)	(4,623,548)	8	Share of Results from Associates Using the Equity Method
(2,685,020)	(15,885,894)	8	Impairment of Investment in Associates Using the Equity Method
(626,190)	(14,139)		Share of Results from Subsidiaries Using the Equity Method
(5,018,989)	(5,121,307)	26	Finance Costs
2,036,794	1,805,958	25	Other Income, Net
(72,805,202)	(64,652,905)		Loss Before Zakat and Income Tax
(300,218)	(76,218)	19	Zakat and Income Tax
(73,105,420)	(64,729,123)		Net Loss After Zakat and Income Tax
			Other Comprehensive Income
			Items That May Be Reclassified Subsequently to Profit or Loss
(70,957)	--		Foreign Currency Translation Differences Related to Foreign Operations
164,687	905,345	17	Remeasurement of Defined Benefit Obligation
(67,998)	(8,042)	8	Share of Other Comprehensive Loss from Associate
25,732	897,303		Total Other Comprehensive Income / (Loss)
(73,079,688)	(63,831,820)		Total Comprehensive (Loss)
(73,105,420)	(63,831,820)		Net Loss After Zakat and Income Tax Attributable to Shareholders of the Parent Company
(73,105,420)	(63,831,820)		
(73,079,688)	(63,831,820)		Comprehensive Loss Attributable to Shareholders of the Parent Company
(73,079,688)	(63,831,820)		
(4.62)	(4.2)	15	Basic and Diluted Loss per Share
			Basic and Diluted

3-2 Consolidated Statement of Financial Position

<u>μ2024 Dec 31</u>	<u>μ2025 Dec 31</u>	<u>Note</u>	
			Assets
			Non-current Assets
95,501,944	71,356,176	5	Property, Plant and Equipment, Net
184,106	142,526	6	Intangible Assets, Net
44,246,492	36,605,890	7	Right-of-Use Assets, Net
36,340,784	16,205,833	8	Investment in Associates Using the Equity Method
<u>176,273,326</u>	<u>124,310,425</u>		Total Non-current Assets
3,057,161	1,208,377	9	Inventory
3,962,819	4,796,320	10	Trade Receivables, Net
2,071,461	1,166,326	27	Due from Related Parties
9,873,608	3,714,321	11	Prepayments and Other Receivables, Net
<u>1,199,555</u>	<u>1,353,666</u>	12	Cash and Cash Equivalents
<u>20,164,604</u>	<u>12,239,010</u>		Total Current Assets
<u>196,437,930</u>	<u>136,549,435</u>		Total Assets
			Equity and Liabilities
			Equity
158,084,670	73,136,030	13	Share Capital
(77,386,141)	(55,989,599)		Accumulated Losses
279,728	--		Foreign Currency Translation Reserve
80,978,257	17,146,431		Total Equity Attributable to the Shareholders of the Company
<u>80,978,257</u>	<u>17,146,431</u>		Total Equity
			Liabilities
			Non-Current Liabilities
46,158,990	37,951,965	7	Lease Liabilities – Non-Current Portion
2,248,414	--	16	Long-Term Loan – Non-Current Portion -
<u>11,654,420</u>	<u>9,171,866</u>	17	Employees' End of Service Benefits
<u>60,061,824</u>	<u>47,123,831</u>		Total Non Current Liabilities
			Current Liabilities
10,408,109	9,997,923	7	Lease Liabilities – Current Portion
2,967,528	3,367,843	16	Long Term Loan – Current Portion
21,911,735	24,660,226		Trade Payables
19,583,938	33,724,205	18	Accrued Expenses and Other Payables
526,539	76,218	19	Zakat Payable
438,619	452,758	20	Investment in Subsidiary (Under Liquidation)
<u>55,397,849</u>	<u>72,279,173</u>		Total Current Liabilities
<u>115,459,673</u>	<u>119,403,004</u>		Total Liabilities
<u>196,437,930</u>	<u>136,549,435</u>		Total Equity and Liabilities

3-3 Summary of Financial Statements 2025–2024

Financial Item	2025	2024
Total Assets	136,549.435	196,437.930
Total Liabilities	119,403.004	115,459.673
Equity Attributable to Shareholders of the Company	17,146.431	80,978.257
Non-Controlling Interests	-	-
Total Shareholders' Equity	17,146.431	80,978.257

3-4 Summary of Cash Flow Statement 2025–2024

Financial Item	2025	2024
Net Cash from Operating Activities	10,990	16,160
Net Cash from Investing Activities	20,748	(6,425)
Net Cash from Financing Activities	(9,604)	(14,116)
Cash and Cash Equivalents at Beginning of the Year	1,199	6,476
Cash and Cash Equivalents at End of the Year	1,353	1,199

3-5 Summary of the Income Statement 2025–2024

Financial Item	2025	2024
Revenues	114,080	155,367
Net Loss Before Zakat and Income Tax	(64,652)	(72,805)
Zakat and Income Tax	(76,218)	(300,218)
Net Loss After Zakat and Income Tax	(64,729)	(73,105)
Total Comprehensive Loss	(63,831)	(73,079)

3-6 Statement of Changes in Equity for the Fiscal Year Ended 31 December 2025

Total Shareholders' Equity	Foreign Currency Translation Reserve	(Accumulated Losses)	Share Capital	
154,057,945	350,685	(4,377,410)	158,084,670	:2024
(73,105,420)	--	(73,105,420)	--	As of January 1, 2024
25,732	(70,957)	96,689	--	Loss for the year
(73,079,688)	(70,957)	(73,008,731)	--	Other comprehensive income
80,978,257	279,728	(77,386,141)	158,084,670	Total comprehensive loss
				As of December 31, 2024
				:2025
80,978,257	279,728	(77,386,141)	158,084,670	As of January 1, 2025
--	--	84,948,640	(84,948,640)	Amortization of accumulated losses (Note 1)
(64,729,123)	--	(64,729,123)	--	Loss for the year
897,303	(279,728)	1,177,031	--	Other comprehensive income
(63,831,820)	--	(63,552,092)	(84,948,640)	Total comprehensive loss
17,146,431	--	(55,989,599)	73,136,030	As of December 31, 2025

3-7 Income Statement for 2024–2025 and Comparative Analysis

	2024		2025		
	In thousand riyals	In thousand riyals	In thousand riyals	%	
:Sales	155,367.76	114,080.25	(41,287.51)	-26.57%	
Cost of sales	(154,150.35)	(125,517.63)	(28,632.72)	-18.57%	
Total loss / profit	1,217.41	(11,437.38)	(12,654.79)	-1039.48%	
Selling and marketing expenses	(12,181.67)	(7,625.91)	(4,555.76)	-37.40%	
General and administrative expenses	(17,007.38)	(15,764.77)	(1,242.61)	-7.31%	
Branch property and equipment depreciation expense	(32,707.51)	(5,551.67)	27,155.84	0	
Reversal of losses / decrease in the value of the assets of the right to use	(4,771.69)	1,269.32	6,041.01	-126.60%	
Reverse custom reduced other genomic edits	-	534.89	534.89	#DIV/0!	
Profits / losses from the exclusion of real estate, machinery and equipment	5.00	(636.89)	641.89	-12837.80%	
Expected credit losses	(600.78)	(1,601.57)	1,000.79	166.58%	
Net loss from business	(66,046.61)	(40,813.98)	16,921.26	-38.20%	
The company's share of the profits / losses of the associate company	(465.19)	(4,623.55)	4,158.36	893.91%	
Provision for a decrease in an investment in an associate company by the equity method	-	(15,885.89)	(13,200.87)	491.65%	
The company's share of the profits / losses of the subsidiary	(626.19)	(14.14)	(612.05)	-97.74%	
Financing expenses	(5,018.99)	(5,121.31)	102.32	2.04%	
Other income and other expenses, net	2,036.79	1,805.96	(230.84)	-11.33%	
Net loss from business	(70,120.18)	(64,652.91)	7,138.18	-11.20%	
Zakat and foreign income tax	(300.22)	(76.22)	(224.00)	-74.61%	
Net loss from continuing operations	(70,420.40)	(64,729.12)	6,914.18	-11.46%	
Loss from non-continuing operations, after income tax	25.73	897.30	(871.57)	0	
:Net loss	(73,079.69)	(63,831.82)	(9,247.87)	-12.65%	
Total comprehensive loss	(73,079.69)	(63,831.82)	(9,247.87)	-12.65%	
Basic and reduced earnings per share	(4.62)	(4.20)	(0.42)	-9.09%	

3-8 Disclosure of Accumulated Losses

The accumulated losses at the end of the current period amounted to 55,989,599 riyals, representing 76.6% of the share capital.

3-9 Disclosure of Any Material Differences in Operating Results

- With reference to RAYDAN Food Company's announcement dated February 4, 2025 (corresponding to 5 Sha'ban 1446 AH), which included the Board of Directors' decision to liquidate its investment in the Arab Republic of Egypt in order to avoid foreign currency exchange losses. The investment relates to a wholly owned subsidiary with a share capital of EGP 50,000. The financial impact—expected not to be material—will be reflected in the Company's financial statements upon completion of the liquidation procedures, while the franchise operations in Egypt will continue.
- On March 16, 2025, the Company sold a plot of land it owned, Plot No. 105, Block No. 8, Plan No. 1628, located in Al-Andalus District in Riyadh. The carrying amount of the land was SAR 3.825 million.
- Sale of other land plots (University Land, Quwaizah Land).
- Closure of the Al-Qunfudhah branch and sale of the Heraa branch under a linked agreement.
- On January 22, 2026 (corresponding to 3 Sha'ban 1447 AH), the Company announced the signing of a binding agreement to sell one of its operating branches located in Jeddah, Al-Nuzha District (Heraa Branch). At the same time, the Company entered into a lease agreement for the same branch as part of a sale-and-leaseback transaction. The Company confirms that the buyer is not a related party and affirms its commitment to disclose any future material developments in accordance with applicable laws and regulations. This step comes as part of the Company's efforts to improve liquidity, settle financial obligations, and work toward releasing the existing mortgage with Yanal Finance.

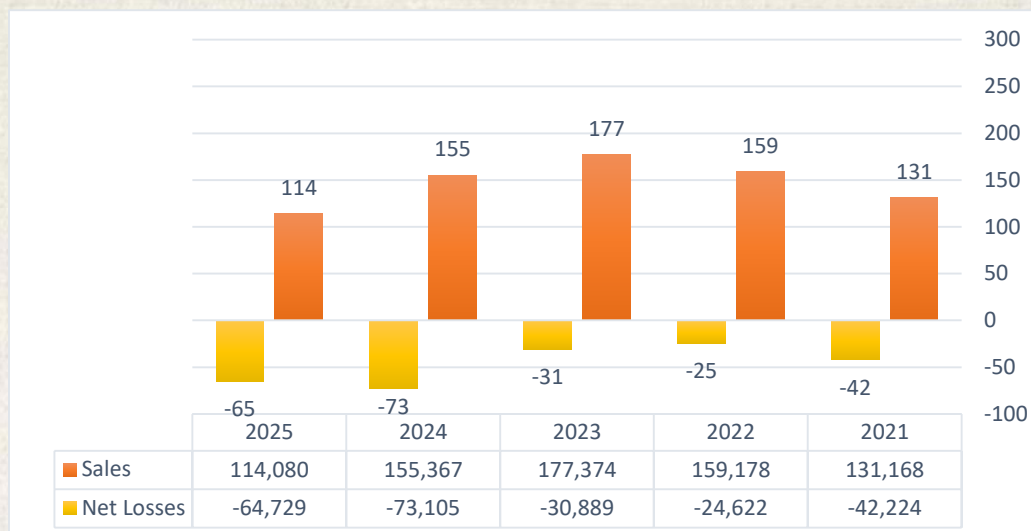
3-10 Reclassification

Comparative Figures

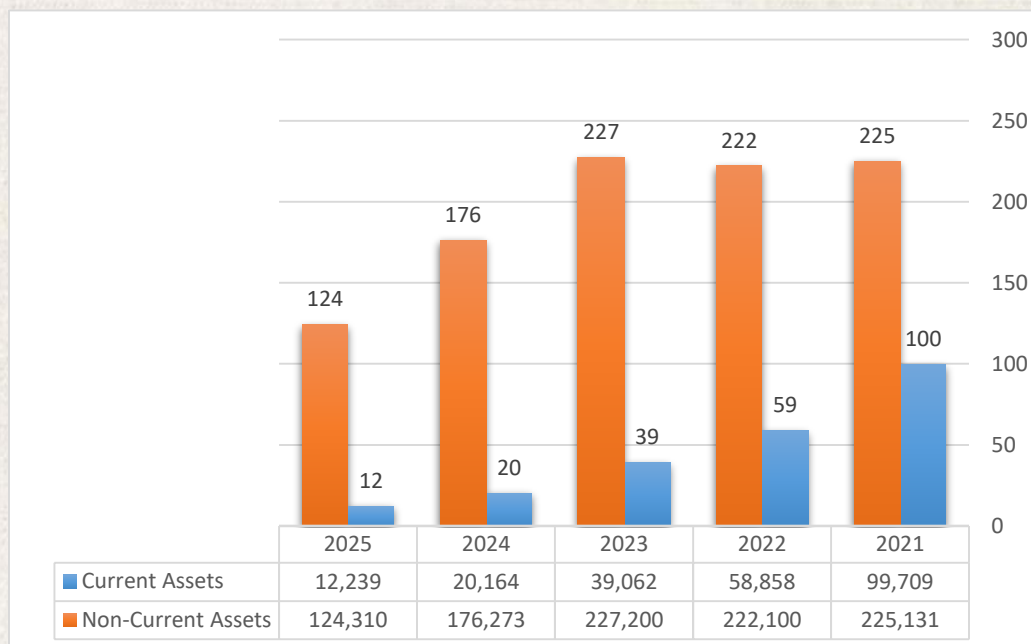
- The comparative figures for the previous year presented in these financial statements have not been subject to any material reclassification. Accordingly, the presentation of balances and disclosures remains consistent with the current period, ensuring the comparability of financial information.
- Except for the restatement of certain figures that affected the operating loss in comparison with the prior year, without impacting the total comprehensive loss. The operating loss for 2024 amounted to SAR 67,170,616, compared to SAR 66,064,611 in the comparative period.

3-11 Summary of the Company's Assets, Liabilities, and Operating Results Over the Past Five Years

Sales and Net Profit/Loss (in thousand SAR)

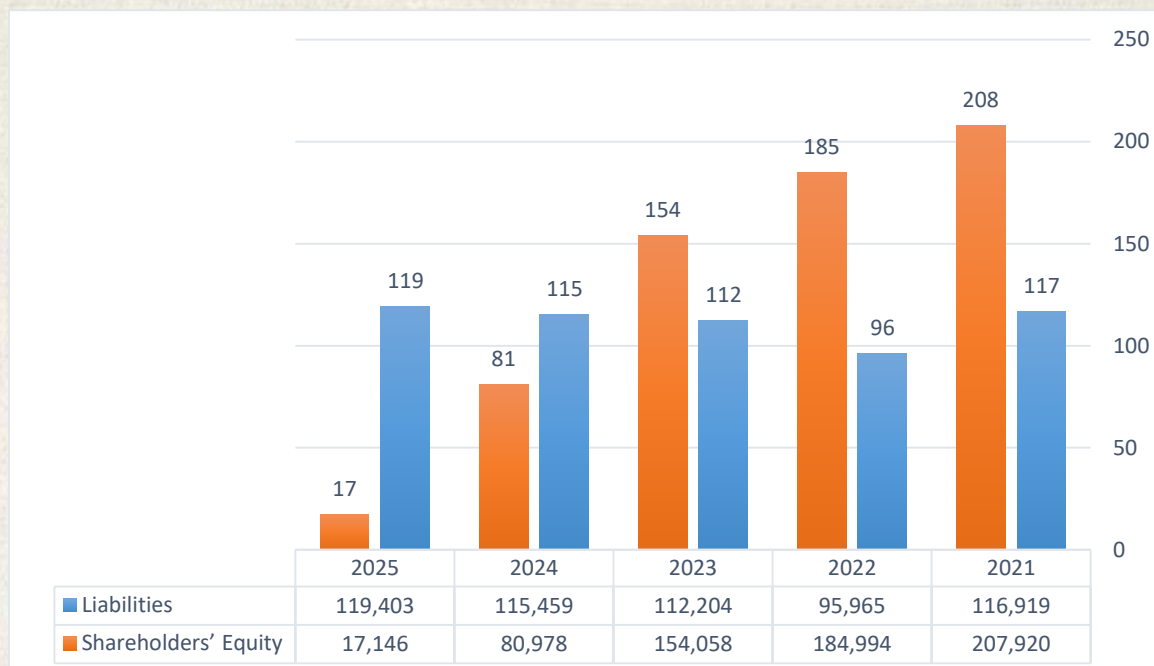


Current and Non-Current Assets (in thousand SAR)

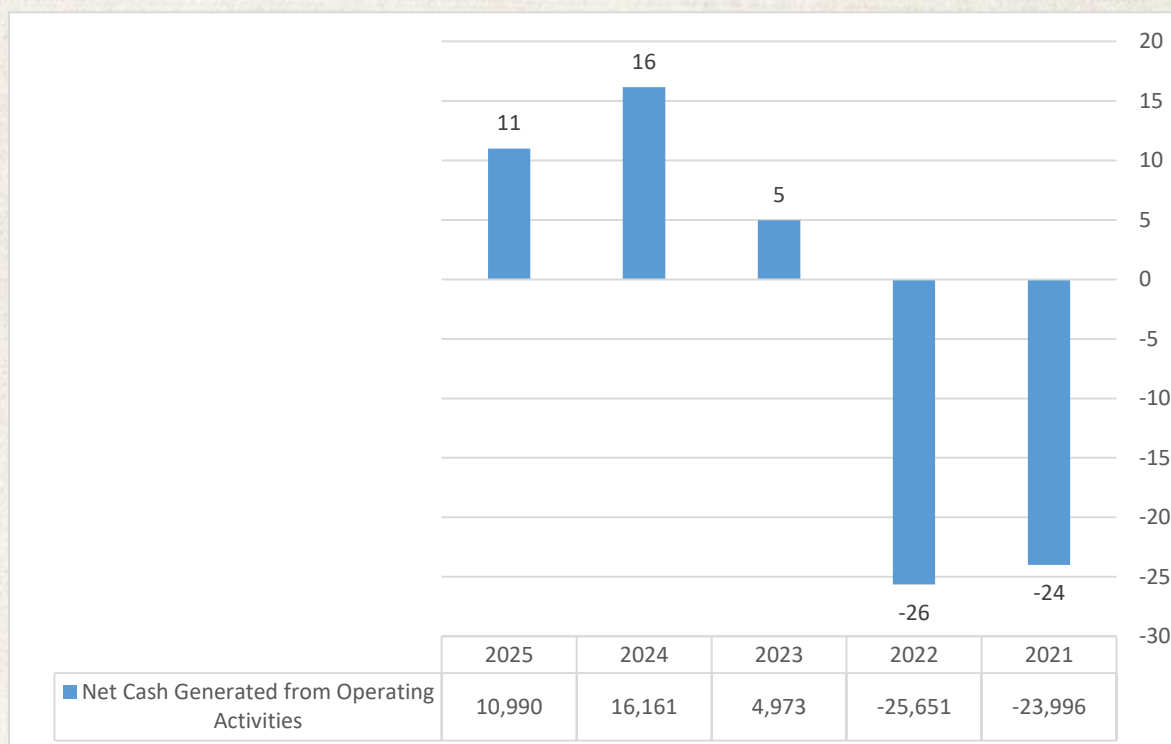


3-12 Summary of the Company's Assets, Liabilities, and Operating Results Over the Past Five Years

Liabilities and Shareholders' Equity (in thousand SAR)



Cash Generated from Operating Activities (in thousand SAR)



3-13 Geographic Analysis of Total Company Revenues

Geographic Region	2025	2024
	Sales	Sales
Western Region	113,931	153,639
Central Region	0	0
Eastern Region	0	0
Arab Republic of Egypt	0	0
Others	148.70	1,728
Total	114,080	155,367

Loss per Share

Loss per Share from Net Loss	2025	2024
	(4.20)	(4.62)



04 Board of Directors and Affiliated Committees

4-1 Board of Directors and Its Committees

Composition of the Board and Classification of Its Members

The Board of Directors consists of five members in accordance with the Company's Articles of Association. The Board includes one non executive member, while the remaining members are independent, which strengthens governance principles and supports effective oversight and supervision.

During 2025, the Board continued its work within the previous term until the date of the General Assembly meeting. The previous term included four members during its final period due to one vacant seat, as permitted by the Company's Articles of Association when the term is nearing its end.

The new Board term was scheduled to begin on 21 04 2025, but based on the Board resolution issued on 20 04 2025, the Board approved continuing its duties and validating its actions until the General Assembly meeting on 20 05 2025, to ensure continuity of the Company's operations and avoid disruption of Board functions. This procedure is based on Article 20 of the Articles of Association, which allows Board members to continue performing their duties for up to 90 days if a new Board cannot be elected before the end of the term.

Accordingly, the Board of Directors and its committees were reconstituted during the General Assembly held on 20 05 2025, and the new Board term commenced on 20 05 2025 and will continue until 19 05 2029 for a four year period. The new formation retained the majority of the previous Board members, with only one member exiting—Mr. Mansour Nasser Al Sulami—and two new members joining, while maintaining the statutory number of five members. The new composition ensured a strengthened proportion of independent members and a diversity of expertise to support the Company's objectives and strategy.

4-2 Biographies of Board Members

Name of the Board Member	Biography of the Board Member
 <p data-bbox="289 737 639 869">Mr. Nair Bayan Al Sulami Chairman of the Board Serving the 2025–2029 Term (Non-Executive Member)</p>	<p data-bbox="721 306 1523 548">Mr. Nair Al Sulami is the CEO of Gulf Lifting Financial Leasing Company, Chairman of Raydan Food Company, Chairman of the Executive Committee, a member of the Governance, Risk & Compliance Committee, a member of the Nomination & Remuneration Committee, Deputy Chairman of the General Committee for Finance Companies at the Saudi Central Bank, and Chairman of Rawnaq Group.</p> <p data-bbox="721 558 1523 726">He has extensive professional experience in business development, growth strategy, restructuring underperforming units, leading operational transformation projects, and establishing profitable startup divisions. His expertise spans governance, credit, risk, operations, finance, and IT.</p> <p data-bbox="721 737 1523 1010">He previously held several positions including Vice Chairman of Raydan Food Company, Board Member of Genovic Botix – Dubai, Chairman of Modern Insurance Brokerage & Reinsurance, CEO of Absolute Values Financial Consulting, General Manager and Executive Committee Member at Gulf Finance Saudi Arabia, Regional Manager at Yanal Finance, Project Manager at Media Max, and Assistant General Manager for the Jeddah Gateway Directory Project with Red Line Marketing.</p> <p data-bbox="721 1020 1523 1077">He holds a Bachelor’s degree in Business Administration from SMC University in Switzerland.</p>
 <p data-bbox="240 1451 688 1583">Mr. Sultan Mohammed Al Huwaimel Vice Chairman of the Board Serving the 2025–2029 Term (Independent Member)</p>	<p data-bbox="721 1108 1523 1245">Mr. Sultan Al Huwaymel currently serves as Director of Financial Sustainability at the General Authority for Awqaf and Vice Chairman of Raydan Food Company, as well as Chairman of the Nomination & Remuneration Committee.</p> <p data-bbox="721 1255 1523 1455">He has over 10 years of experience in operations, public relations, marketing, and communications. He has held several leadership roles including CEO of Al Qiyada Operations & Maintenance, CEO of the Global Center for Islamic Economy in Dubai, General Manager of Khibra Financial, and Project Manager for the Public Sector at Al Rajhi Bank.</p> <p data-bbox="721 1465 1523 1528">He is known as a motivational leader with strong institutional relationship building skills.</p> <p data-bbox="721 1539 1523 1675">He holds a Master’s degree in Finance & Investment from the University of Essex (UK) in 2009 and a Bachelor’s degree in Business Administration from Imam Muhammad bin Saud Islamic University in 2005.</p>



Mr. Abdullah Ahmed Al Darwish
Board Member
New Term Starting 20/05/2025 for
2025–2029
(Independent Member)

Mr. Abdullah Al Darwish has over 30 years of experience as a consultant and board member in strategic and financial consulting, business development, and commercial partnerships. He has a strong track record in establishing and managing investment funds, restructuring companies, and developing strategies for efficiency and sustainable growth. He currently serves as Vice Chairman and Chief Investment Officer at Al Wasata Financial Company since 2016, and Board Member at Ecoline Global since 2012. He previously worked as a consultant for several companies including Ibda' Al Qasr and Rouge Cosmetics, and has been a partner and founder in multiple companies from 1995 to 2020. He holds a Bachelor's degree in Business Administration from King Abdulaziz University in Jeddah.



Mr. Adil Shamsuddin Siddiqi
Board Member
Serving the 2025–2029 Term
(Independent Member)

Mr. Adil Siddiqi currently serves as Head of Debt Restructuring at Bank AlJazira since September 2024. He previously held roles including Head of Credit & Risk at Gulf Lifting Financial Leasing, Corporate Banking Team Leader at Saudi Investment Bank, Senior Manager in Commercial Banking at the Saudi Central Bank, and Credit & Marketing Assistant Manager at Yanal Finance. He is also CEO of Smart Idea Business Services Office. He chaired the SME Committee in the Finance Sector at the Saudi Central Bank and has been an associate member of the Saudi Organization for Chartered and Professional Accountants (SOCPA) since 2022. He holds a Bachelor's degree in Financial Management from the American University in London and a degree in Accounting from the Arab Open University in Jeddah, along with several leadership courses in credit and financial management.



Eng. Mazen Issa Al Harbi
Board Member
New Term Starting 20/05/2025 for
2025–2029
(Independent Member)

Eng. Mazen Al Harbi currently serves as Senior Regional Project Manager at the Water Transmission & Technologies Company. He is the founder of Depo Technologies, Khibra Roasting Experts Co., and Mazen Al Harbi Trading Establishment. He has over 12 years of experience in engineering project management and establishing and expanding businesses in the FMCG sector. He previously worked as Project Manager at the Water Transmission & Technologies Company, Senior Instrumentation & Control Engineer at the Saline Water Conversion Corporation in Jeddah, and Instrumentation & Control Engineer at Ras Al Khair Plant. He holds a Bachelor's degree in Electrical Engineering from Gonzaga University in Spokane, Washington, USA.



Mr. Mansour Nasser Al Sulami
Former Board Member
(until 19 May 2025)
(Non-Executive Member)

Mr. Mansour Al Sulami previously served as Managing Director and CEO of Raydan Food Company. He also worked as General Manager of Operations, Oversight, and Monitoring at Raydan Food Company. He holds an MBA from the University of Business & Technology and a Bachelor of Science in Marketing from the University of Jeddah, College of Business. He has over 9 years of experience in implementing oversight and monitoring strategies and has held roles including General Manager of Operations and General Manager of Oversight & Monitoring at Raydan.

4-3 Biographies of Audit Committee Members



Mr. Abdul Rahman Misfer Al-Malki
Audit Committee Member
Serving the 2025–2029 Term
(Independent Member from Outside the Board)

Mr. Abdul Rahman Misfer Al-Malki is a certified financial consultant with a Bachelor's degree in Accounting and an MBA. He has over 27 years of experience in major financial, investment, and banking institutions, with strong expertise in financial management, accounting, investment analysis, portfolio management, and financial analysis. He currently serves as General Manager of Shared Services at Wadi Jeddah Company. He previously served as Financial Manager at Wadi Jeddah and its subsidiaries, and as Custody & Operations Manager and CFO at Itqan Capital.



Mr. Emad Zain Al-Abidin Al-Harbi
Audit Committee Member
Serving the 2025–2029 Term
(Independent Member from Outside the Board)

Mr. Imad Al Abideen is a certified public accountant and independent member at Parker Russell International, and a full member of the Saudi Organization for Auditors and Accountants (SOCPA). He holds a Bachelor's degree in Accounting from King Abdulaziz University and SOCPA Fellowship. He has worked in several accounting and auditing firms affiliated with international networks such as Baker Tilly and RSM. He also worked at the General Court of Audit as a financial controller for several government entities including the Ministry of Education, Ministry of Health, and Zakat, Tax & Customs Authority. He founded a professional consulting firm affiliated with an international network specializing in auditing, zakat and tax services, internal audit, and financial and administrative consulting, enabling him to serve major companies across various sectors in Saudi Arabia.



Mr. Adil Shamsuddin Siddiqi
Chairman of the Audit Committee
Serving the 2025–2029 Term
(Independent Member from the Board)

His biography is included in the Board Members section above.

4-4 Curriculum Vitae of the Nomination & Remuneration Committee Members

The biographies of the esteemed members have been previously mentioned (Biographies of the Board Members).

Name	Position	Notes
Mr. Sultan Mohammed Al-Huwaimel	Committee Chairman	Continuing membership for the 2025–2029 term
Mr. Nair Bayan Al-Sulami	Committee Member	Continuing membership for the 2025–2029 term
Mr. Adil Shamsuddin Siddiqi	Committee Member	Membership ended with the conclusion of the committee's term on 19 May 2025
Mr. Abdullah Ahmed Al-Darwish	Committee Member	New membership starting 20-05-2025 for the 2025–2029 term

4-5 Curriculum Vitae of the Executive Committee Members

The biographies of the esteemed members have been previously mentioned (Biographies of the Board Members).

Name	Position	Notes
Mr. Nair Bayan Al-Sulami	Committee Chairman	Continuing membership for the 2025–2029 term
Mr. Mansour Nasser Al-Sulami	Committee Member	Membership ended with the conclusion of the committee's term on 19 May 2025
Mr. Adil Shamsuddin Siddiqi	Committee Member	Continuing membership for the 2025–2029 term
Eng. Mazen Issa Al-Harbi	Committee Member	New membership starting 20-05-2025 for the 2025–2029 term

4-6 Curriculum Vitae of the Governance, Risk & Compliance Committee Members

The biographies of the esteemed members have been previously mentioned (Biographies of the Board Members).

Name	Position	Notes
Mr. Abdullah Ahmed Al-Darwish	Committee Chairman	New membership starting 20-05-2025 for the 2025–2029 term
Mr. Adil Shamsuddin Siddiqi	Committee Member	Membership ended with the conclusion of the committee's term on 19 May 2025
Mr. Nair Bayan Al-Sulami	Committee Member	Continuing membership for the 2025–2029 term
Mr. Mansour Nasser Al-Sulami	Committee Member	Membership ended with the conclusion of the committee's term on 19 May 2025
Eng. Mazen Issa Al-Harbi	Committee Member	New membership starting 20-05-2025 for the 2025–2029 term

4-7 Board Memberships in Current or Previous Companies Inside or Outside the Kingdom

Member Name	Names of Companies in which the Board Member Currently Serves as a Board Member or Manager	Inside/Outside the Kingdom	Legal Entity	Names of Companies in which the Board Member Previously Served as a Board Member or Manager	Inside/Outside the Kingdom	Legal Entity
Mr. Nair Bayan Al-Sulami	CEO – Gulf Lifting Financial Leasing Company	Inside the Kingdom	Closed Joint Stock Company	Yanal Finance Company	Inside the Kingdom	Closed Joint Stock Company
	Executive Committee Member – Gulf Lifting Financial Leasing Company	Inside the Kingdom	Closed Joint Stock Company	Modern Insurance & Reinsurance Brokerage Company	Inside the Kingdom	Limited Liability Company
	Owner – Ronaq Global Group	Inside the Kingdom	Sole Proprietorship	Gulf Finance Company	Inside the Kingdom	Closed Joint Stock Company
	–	–	–	Board Member of Genovik Consulting – Dubai	Outside the Kingdom	Limited Liability Company
Mr. Sultan Mohammed Al-Huwaimel	Partner – Financial Experts for Financial Consulting	Inside the Kingdom	Limited Liability Company	–	–	–
Mr. Adil Shamsuddin Siddiqi	Ation for Innovative Information & Communication Technology	Inside the Kingdom	Limited Liability Company	–	–	–
Mr. Abdullah Ahmed Al-Darwish	Vice Chairman of the Board and Chairman of the Investment Committee – Al Wasata Financial Company	Inside the Kingdom	Closed Joint Stock Company	Board Member – Ecoline Saudi Arabia	Inside the Kingdom	Limited Liability Company
				Board Member – International Integration Group & Chairman of the Investment Committee	Inside the Kingdom	Closed Joint Stock Company
				Chairman of the Board – Al-Awtad Information Technology Company	Inside the Kingdom	Limited Liability Company
				Founder – Al-Darwish Financial Consulting Office	Inside the Kingdom	Sole Proprietorship
Eng. Mazen Issa Al-Harbi	Founder and Partner at Supply Stores Trading Company	Inside the Kingdom	Limited Liability Company	–	–	–
	Founder and Partner at Roasting Experts Industrial Company	Inside the Kingdom	Limited Liability Company	–	–	–
	Founder and Partner at Food Supplies Information Technology Company	Inside the Kingdom	Limited Liability Company	–	–	–
	Founder and Partner at Horeca Services Trading Company	Inside the Kingdom	Limited Liability Company	–	–	–
Mr. Mansour Nasser Al-Sulami	–	–	–	–	–	–

4-8 Board Meetings, Committee Meetings, General Assembly Meetings, and Audit Committee Meetings Held During 2025

It is worth noting that some of the meetings listed below were held during the previous Board term, while others were held after the Board was reconstituted on 20-05-2025. Attendance has been calculated based on each member's actual membership period in each term, with indications in the tables showing the start or end of each member's tenure.

First: Board of Directors Meetings

Board of Directors	30/Jan	24/Mar	29/Mar	31/Mar	20/Apr	14/May	21/May	28/May	10/Aug	10/Nov
Mr. Nair Bayan Al-Sulami	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sultan Mohammed Al-Huwaimel	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Adil Shamsuddin Siddiqi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mansour Nasser Al-Sulami	✓	✓	✓	✓	✓	✓	His membership ended on 19 May 2025.			
Mr. Abdullah Ahmed Al-Darwish	A new member who joined on 20 May 2025						✓	✓	✓	✓
Eng. Mazen Issa Al-Harbi	A new member who joined on 20 May 2025						✓	✓	✓	✓

➤ Actions Taken by the Board of Directors to Inform Its Members of Shareholders' Proposals or Comments Regarding the Company and Its Performance

- The Corporate Governance Regulations require that the chairpersons of Board committees—or their delegates—attend General Assembly meetings to respond to shareholders' inquiries and directly review their proposals and comments regarding the company and its performance. Any proposal or comment raised during deliberations is recorded in the minutes of the General Assembly meetings, which are reviewed by all Board members.
- As a communication channel between the company and shareholders and external stakeholders outside General Assembly periods, the company provides Investor Relations contact information on both the Tadawul website and the company's website. The Board has also approved the Investor Relations framework to ensure best practices, enabling communication with current shareholders, potential investors, stakeholders, and the Investor Relations team, which coordinates with executive management and the Board. Through this communication, opinions, inquiries, complaints, proposals, and comments are received and shared with executive management and the Board. The Board is regularly updated during its periodic meetings on all developments related to Investor Relations.

Second: Committee Meetings

The Board committees play an essential role in effectively supporting the Board's responsibilities and contributing to oversight and supervision of the company's activities. The Board periodically ensures that these committees are performing their assigned duties, and the committees help promote integrity and independence in operations while keeping the Board informed of their findings and decisions.

1. Audit Committee

The Audit Committee is formed to study matters within its scope or those referred to it by the Board of Directors. It submits its recommendations to the Board for decision-making or makes decisions when delegated by the Board. The Committee informs the Board of its findings, decisions, and recommendations.

The Committee is responsible for overseeing the company's operations and ensuring the accuracy and integrity of financial reports and internal control systems. Its responsibilities include:

➤ Financial Reports

- Reviewing the company's interim and annual financial statements before submission to the Board, and providing opinions and recommendations to ensure fairness, integrity, and transparency.
- Providing a technical opinion—upon the Board's request—on whether the Board report and financial statements are fair, balanced, understandable, and include information enabling shareholders and investors to assess the company's financial position, performance, business model, and strategy.
- Reviewing any significant or unusual matters included in the financial reports.
- Investigating issues raised by the CFO, compliance officer, or external auditor.
- Verifying accounting estimates in material financial matters.
- Reviewing the company's accounting policies and providing recommendations to the Board.

➤ Internal Audit

- Reviewing and evaluating the company's internal control, financial control, and risk management systems.
- Reviewing internal audit reports and following up on corrective actions.
- Supervising the performance and activities of the internal auditor and internal audit department, ensuring adequate resources and effectiveness.
- Recommending the appointment of the head of internal audit or internal auditor and proposing their remuneration.

➤ **External Auditor**

- Recommending the appointment, dismissal, remuneration, and performance evaluation of external auditors after verifying their independence and reviewing their scope of work and engagement terms.
- Ensuring the independence, objectivity, and fairness of the external auditor and the effectiveness of their work.
- Reviewing the external auditor’s plan and ensuring they do not provide services outside the scope of audit work.
- Responding to inquiries from the external auditor.
- Ensuring the auditor has access to all necessary information.
- Reviewing the auditor’s reports and observations on the financial statements and following up on corrective actions.

➤ **Compliance Assurance**

- Reviewing regulatory authority reports and ensuring the company takes necessary actions.
- Ensuring compliance with relevant laws, regulations, policies, and instructions.
- Reviewing proposed related party transactions and providing recommendations to the Board.
- Escalating matters requiring action to the Board and recommending appropriate measures.

➤ **Audit Committee Meetings**

Audit Committee	23/Jan	30/Mar	14/May	07/Aug	09/Nov
Mr. Adil Shamsuddin Siddiqi	✓	✓	✓	✓	✓
Mr. Abdul Rahman Misfer Al-Malki	✓	✓	✓	✓	✓
Mr. Emad Zain Al-Abidin Al-Harbi	✓	✓	✓	✓	✓

2. Nominations and Remuneration Committee

- The Committee studies matters within its scope or those referred to it by the Board of Directors. It submits its recommendations to the Board for decision-making, or makes decisions when delegated by the Board. The Committee informs the Board of its findings, decisions, and recommendations

➤ **The Committee’s Responsibilities Regarding Remuneration:**

- Clarifying the relationship between the remuneration granted and the approved remuneration policy, and identifying any material deviations.
- Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its intended objectives.
- Recommending to the Board the remuneration of Board members, Board committees, and senior executives in accordance with the approved policy.

➤ **The Committee's Responsibilities Regarding Nominations:**

- Proposing clear policies and criteria for membership in the Board of Directors and executive management.
- Recommending to the Board the nomination and re nomination of its members in accordance with approved policies and criteria.
- Preparing a description of the capabilities and qualifications required for Board membership and executive management positions.
- Determining the time commitment required from each Board member.
- Conducting an annual review of the skills and expertise needed for Board membership and executive management roles.
- Reviewing the structure of the Board and executive management and providing recommendations on potential changes.
- Annually verifying the independence of independent members and ensuring no conflicts of interest exist, particularly if a member serves on the Board of another company.
- Developing job descriptions for executive, non executive, and independent Board members, as well as senior executives.
- Establishing procedures to follow in the event of a vacancy in the Board or senior executive positions.
- Conducting an annual evaluation of the Board, its committees, and executive management, submitting results to the Board along with recommendations for improvement.
- Identifying strengths and weaknesses within the Board and proposing solutions aligned with the company's best interests.
- Outlining the methods used by the Board to evaluate its performance, the performance of its committees, and its members.
- An external party has been engaged to conduct the performance evaluation, and the Board's evaluation is currently in progress

➤ **Nominations and Remuneration Committee Meetings**

Nominations and Remuneration Committee	30/Jan	18/Mar	28/Mar	16/Apr	26/Aug	16/Dec
Mr. Sultan Mohammed Al-Huwaimel	✓	✓	✓	✓	✓	✓
Mr. Nair Bayan Al-Sulami	✓	✓	✓	✓	✓	✓
Mr. Adil Shamsuddin Siddiqi	His membership ended on 19 May 2025.				✓	✓
Mr. Abdullah Ahmed Al-Darwish	✓	✓	✓	✓	A new member who joined on 20 May 2025	

3. Executive Committee

The Executive Committee was formed in accordance with the Corporate Governance Regulations issued by the Capital Market Authority. Its main duties and responsibilities are summarized as follows:

- Developing the company's strategies, policies, and overall objectives in coordination with the Board of Directors, and studying and proposing the economic objectives of projects, investments, and the company's general policies.
- Following up with company management regarding budget forecasts to ensure the achievement of objectives.
- Establishing a forward-looking vision to develop and increase the company's profits through market trends, with the aim of achieving better returns for shareholders
- Reviewing and approving the recommendations submitted by the Chief Executive Officer.

➤ Executive Committee Meetings

Executive Committee	10/Aug	20/Oct	10/Nov
Mr. Nair Bayan Al-Sulami	✓	✓	✓
Mr. Mansour Nasser Al-Sulami	His membership ended on 19 May 2025.		
Mr. Adil Shamsuddin Siddiqi	✓	✓	✓
Eng. Mazen Issa Al-Harbi	✓	✓	✓

4. Governance, Risk, and Compliance Committee

The Governance, Risk, and Compliance Committee was formed, and its responsibilities are summarized as follows:

- Attending the Committee's meetings.
- Ensuring integrity in carrying out the Committee's affairs and meetings.
- Acquiring the necessary skills and training required to participate effectively in the Committee's work.
- Participating in the Committee's decisions and voting on them.
- Providing full support to the Committee Chair in preparing meeting agendas and confirming meeting minutes.
- Informing other Committee members of any changes in regulations or practices that affect the Committee's roles and responsibilities.
- The Committee Chair—or a delegated member—may attend General Assembly meetings to answer shareholders' questions.

➤ **Governance, Risk, and Compliance Committee Meetings**

Governance, Risk, and Compliance Committee	04/Mar	27/Aug	19/Nov
Mr. Nair Bayan Al-Sulami	✓	✓	✓
Mr. Mansour Nasser Al-Sulami	✓	His membership ended on 19 May 2025.	
Mr. Adil Shamsuddin Siddiqi	✓	His membership ended on 19 May 2025.	
Mr. Abdullah Ahmed Al-Darwish	A new member who joined on 20 May 2025	✓	✓
Eng. Mazen Issa Al-Harbi	A new member who joined on 20 May 2025	✓	✓

➤ **Board Members' Attendance Schedule for General Assembly Meetings**

➤ **General Assemblies**

Ordinary General Assembly	20/May	25/May
Mr. Nair Bayan Al-Sulami	✓	✓
Mr. Sultan Mohammed Al-Huwaimel	✓	✓
Mr. Mansour Nasser Al-Sulami	✓	His membership ended on 19 May 2025.
Mr. Adil Shamsuddin Siddiqi	✓	✓
Mr. Abdullah Ahmed Al-Darwish	A new member who joined on 20 May 2025	✓
Eng. Mazen Issa Al-Harbi	A new member who joined on 20 May 2025	✓

Extraordinary General Assembly	25/May
Mr. Nair Bayan Al-Sulami	✓
Mr. Sultan Mohammed Al-Huwaimel	✓
Mr. Mansour Nasser Al-Sulami	His membership ended on 19 May 2025.
Mr. Adil Shamsuddin Siddiqi	✓
Mr. Abdullah Ahmed Al-Darwish	✓
Eng. Mazen Issa Al-Harbi	✓

4-9 Remuneration of Board Members, Board Committees, and Executive Management

The Company has developed the “Remuneration Policy for the Board of Directors of Raydan Food Company, its Committees, and the Executive Management,” which was approved by the Company’s General Assembly. The remuneration granted to Board members and senior executives has been aligned with the approved policy. The Company also confirms that there are no material deviations from this policy.

The Remuneration Policy takes into consideration the following:

- Ensuring alignment with the Company’s strategy and objectives, and consistency with the size, nature, and level of risks faced by the Company. Remuneration is granted to encourage Board members and executive management to support the Company’s growth and long-term development.
Remuneration is determined based on job level, assigned duties and responsibilities, academic qualifications, professional experience, skills, and performance level, while considering market practices and avoiding any unjustified increase in remuneration and compensation. The policy aims to attract, retain, and motivate professional talent without exaggeration.
- - Ensuring accurate, transparent, and detailed disclosure in the Board of Directors’ Report regarding all remuneration granted to Board members, committees, and executive management, whether directly or indirectly, without concealment or misrepresentation, regardless of the nature or name of such amounts, benefits, or privileges.
- Commitment to the approved Remuneration Policy when determining remuneration for Board members, committees, and executive management, ensuring that no material deviation occurs from the policy’s rules and conditions for entitlement to annual remuneration.

4-10 The following statement presents the remuneration of the Board members and committee members of the Company during the year 2025 (amounts in thousand Saudi Riyals), as follows:

1) Board Members’ Remuneration

Two separate tables have been prepared for the remuneration of Board members in order to distinguish the remuneration related to each Board term. The previous Board term ended on 19-05-2025, and the new Board term commenced on 20-05-2025.

This separation is made in compliance with governance and transparency requirements, and to ensure that the financial data for each Board term is presented according to its officially approved period

Board of Directors' remuneration for the board term ending on 19-05-2025

Name	Rewards Fixed							Rewards Changing						End-of-Service Benefit	Grand Total	Expense allowance
	A certain amount	Allowance for attendance at council meetings	Total allowance-attendance at committees meetings	Advantages in kind	Rewarding technical, administrative and Consulting works	Rewarding the chairman of the board, the managing director or the secretary, if he is one of the members	Total	Percentage of profits	Rewards Patrol	Short-term incentive plans	Long-term incentive plans	Shares granted	Total			
First: Independent Members:																
Mr. Sultan Mohammed Al Howymel	115.8	60.0	20.0	-	-	-	195.8	-	-	-	-	-	-	-	195.8	-
Mr. Adil Shamsuddin Siddiqi	96.5	60.0	49.0	-	-	-	205.5	-	-	-	-	-	-	-	205.5	-
Total	212.3	120	69	-	-	-	401.3	-	-	-	-	-	-	-	401.3	-
Second: Non-Executive Members:																
Mr. Nair Bayan Al Sulami	173.8	60.0	25.0	-	-	-	258.8	-	-	-	-	-	-	-	258.8	-
Mr. Mansour Nasser Al Sulami	96.5	60.0	5.0	-	-	-	161.5	-	-	-	-	-	-	-	161.5	-
Total	270.3	120	30	-	-	-	420.3	-	-	-	-	-	-	-	420.3	-

- The table includes the attendance allowances for committee meetings, which are detailed in the committee remuneration tables

Board of Directors' remuneration for the new board term starting from 20-05-2025

Name	Rewards Fixed							Rewards Changing					End-of-Service Benefit	Grand Total	Expense allowance	
	A certain amount	Allowance for attendance at council meetings	Total allowance-attendance at committees meetings	Advantages in kind	Rewarding technical, administrative and Consulting works	Rewarding the chairman of the board, the managing director or the secretary, if he is one of the members	Total	Percentage of profits	Rewards Patrol	Short-term incentive plans	Long-term incentive plans	Shares granted				Total
First: Independent Members:																
Mr. Sultan Mohammed Al Howymel	188.3	40.0	10.0	-	-	-	238.3	-	-	-	-	-	-	-	238.3	-
Mr. Abdullah Ahmed Al-Darwish	156.9	40.0	20.0	-	-	-	216.9	-	-	-	-	-	-	-	216.9	-
Mr. Adil Shamsuddin Siddiqi	156.9	40.0	31.0	-	-	-	227.9	-	-	-	-	-	-	-	227.9	-
Eng. Mazen Issa Al-Harbi	156.9	40.0	25.0	-	-	-	221.9	-	-	-	-	-	-	-	221.9	-
Total	659	160	86	-	-	-	905	-	-	-	-	-	-	-	905	-
Second: Non-Executive Members:																
Mr. Nair Bayan Al Sulami	282.5	40.0	35.0	-	-	-	357.5	-	-	-	-	-	-	-	357.5	-
Total	282.5	40.0	35.0	-	-	-	357.5	-	-	-	-	-	-	-	357.5	-

- The table includes the attendance allowances for the meetings of the affiliated committees, which are detailed in the committee remuneration tables

2) Remuneration of Members of the Affiliated Committees

Two separate tables have been prepared for the remuneration of the members of the affiliated committees, in order to distinguish the remuneration due for each board term individually. The current board term ends on 19-05-2025, and the new board term begins on 20-05-2025.

This separation is made in compliance with governance and transparency requirements, and to ensure that the financial data for each term is presented in accordance with its approved statutory period.

Remuneration of Audit Committee members up to 19-05-2025.

Name	Fixed Remuneration	Meeting Attendance Allowance	Total
Mr. Adil Shamsuddin Siddiqi	23.2	24.0	47.2
Mr. Abdul Rahman Misfer Al-Malki	23.2	24.0	47.2
Mr. Emad Zain Al-Abidin Al-Harbi	23.2	24.0	47.2
Total	69.5	72	141.5

Remuneration of Audit Committee members for the new board term starting from 20-05-2025

Name	Fixed Remuneration	Meeting Attendance Allowance	Total
Mr. Adil Shamsuddin Siddiqi	37.7	16.0	53.7
Mr. Abdul Rahman Misfer Al-Malki	37.7	16.0	53.7
Mr. Emad Zain Al-Abidin Al-Harbi	37.7	16.0	53.7
Total	113	48	161

Remuneration of Nomination and Remuneration Committee members up to 19-05-2025

Name	Fixed Remuneration	Meeting Attendance Allowance	Total
Mr. Sultan Mohammed Al-Huwaimel	23.2	20.0	43.2
Mr. Nair Bayan Al-Sulami	23.2	20.0	43.2
Mr. Adil Shamsuddin Siddiqi	23.2	20.0	43.2
Total	69.5	60	129.5

Remuneration of Nomination and Remuneration Committee members for the new board term starting from 20-05-2025

Name	Fixed Remuneration	Meeting Attendance Allowance	Total
Mr. Sultan Mohammed Al-Huwaimel	37.7	10.0	47.7
Mr. Nair Bayan Al-Sulami	37.7	10.0	47.7
Mr. Abdullah Ahmed Al-Darwish	37.7	10.0	47.7
Total	113	30	143

Remuneration of Governance, Risk, and Compliance Committee members up to 19-05-2025

Name	Fixed Remuneration	Meeting Attendance Allowance	Total
Mr. Adil Shamsuddin Siddiqi	23.2	5.0	28.2
Mr. Nair Bayan Al-Sulami	23.2	5.0	28.2
Mr. Mansour Nasser Al-Sulami	23.2	5.0	28.2
Total	69.5	15	84.5

Remuneration of Governance, Risk, and Compliance Committee members for the new board term starting from 20-05-2025

Name	Fixed Remuneration	Meeting Attendance Allowance	Total
Mr. Abdullah Ahmed Al-Darwish	37.7	10.0	47.7
Mr. Nair Bayan Al-Sulami	37.7	10.0	47.7
Eng. Mazen Issa Al-Harbi	37.7	10.0	47.7
Total	113	30	143

Remuneration of Executive Committee members up to 19-05-2025

Name	Fixed Remuneration	Meeting Attendance Allowance	Total
Mr. Nair Bayan Al-Sulami	23.2	-	23.2
Mr. Adil Shamsuddin Siddiqi	23.2	-	23.2
Mr. Mansour Nasser Al-Sulami	23.2	-	23.2
Total	69.6	-	69.6

Remuneration of Executive Committee members for the new board term starting from 20-05-2025

Name	Fixed Remuneration	Meeting Attendance Allowance	Total
Mr. Nair Bayan Al-Sulami	37.7	15.0	52.7
Mr. Adil Shamsuddin Siddiqi	37.7	15.0	52.7
Eng. Mazen Issa Al-Harbi	37.7	15.0	52.7
Total	113	45	158



05 Executive Management

1-5 The following statement presents the remuneration of the Board members and committee members of the Company during the year 2025 (amounts in thousand Saudi Riyals), as follows:

<p>Mr. Khalil Kamil Abou Fadel Chief Executive Officer</p>	<p>He currently serves as the Chief Executive Officer of Raydan Food Company and has over 24 years of leadership experience in the Food & Beverage (F&B) and Fast-Moving Consumer Goods (FMCG) sectors across the Middle East and North Africa. Throughout his career, he has held several senior leadership positions in global companies, including General Manager of Al Ghazzawi Group, CEO of a consulting office, General Manager of Burger King, and Deputy CEO of Kout Food Group.</p> <p>He has also worked with major international franchisors in the regional F&B sector such as Pizza Hut and Applebee's, as well as leading regional FMCG brands such as Milupa and Bebelac.</p> <p>He holds a Postgraduate Diploma in Management from McGill University in Montreal, Canada, and a Bachelor's degree in Business Administration from the American University of Beirut, Lebanon.</p> <p>He has extensive expertise in business strategy, franchising in the F&B sector, business planning and development, financial management, budgeting, and marketing strategies.</p>
<p>Mr. Jamal Nasser Abdulkarim Chief Financial Officer</p> <p>End of employment relationship: 10-06-2025</p>	<p>He served as the Chief Financial Officer of Raydan Food Company and previously worked as the Head of Accounts at Raydan Food Company. He holds a Bachelor's degree in Commerce, majoring in Accounting, from Assiut University.</p> <p>He also worked as Head of Accounts at Al-Rousha Sweets Company and spent two years at an audit firm in Egypt. He has more than 22 years of experience in the field</p>
<p>Mr. Mohammed Omar Badaoud Human Resources Manager</p>	<p>He currently serves as the Human Resources Manager at Raydan Food Company. He previously worked as HR Manager at Wadi Jeddah Company.</p> <p>He holds a Bachelor's degree in Human Resources Management and a Master's degree in Business Administration from the University of Jeddah.</p> <p>He has over 16 years of experience in the luxury goods and jewelry sector, private-sector companies, and business development. He possesses strong skills in negotiation, analytical thinking, Microsoft applications, HR automation, team building, and HR policy development.</p>
<p>Mr. Badr Mahmoud Al- Amoudi Operations Manager</p>	<p>He currently serves as the Operations Manager at Raydan Food Company and has over 15 years of experience in the F&B sector, including brand management, hospitality concept development, and operational leadership.</p> <p>He previously served as Brand Manager at FAUCHON PARIS and worked as a consultant for several F&B projects. He also managed operations at 95 Celsius Café and Deyora Restaurant and led the opening of several new branches.</p> <p>He held leadership roles at FAUCHON PARIS and Nestlé Toll House cafés. He began his career as a Store Manager at Patchi, achieving the highest sales nationwide for two consecutive years.</p> <p>He holds a Diploma in Hotel Management from Zgharta Institute in Lebanon and is distinguished by his expertise in developing operational systems, budget management, performance optimization, team development, quality assurance, and customer service.</p>
<p>Dr. Khalid Zain Al- Abideen Support Services Manager</p>	<p>He has been working at the company since 2001 and currently serves as the Support Services Manager.</p> <p>He holds a Master's degree in Business Administration from Sudan University and a Bachelor's degree in Veterinary Medicine from the University of Khartoum.</p> <p>He has more than 24 years of administrative experience.</p>

2-5 The total amount paid to senior executives, including the Chief Executive Officer and the Chief Financial Officer, for the year 2025 — covering salaries, allowances, periodic and annual bonuses, travel and accommodation allowances — amounted to (in thousand Saudi Riyals) up to December 31, 2025, as follows:

Rewards Fixed				Rewards Changing						End-of-Service Benefit	Total executive remuneration for the board	Grand Total
Salaries	Allowances	In-kind Benefits	Total	Rewards Patrol	Profits	Short-term incentive	Long-term incentive	Shares granted	Total			
1090.87	587.39	-	1678.27	-	-	-	-	-	-	103.78	-	1782.04

- All allowances (housing – transportation – travel – etc.) have been classified under the “Allowances” category and not under salaries.
- All salaries and remuneration have been charged to the expenses of the year 2025.
- In this regard, the Company’s management confirms the following:
 - There are no arrangements or agreements under which any Board member or senior executive has waived any salary or remuneration.
 - There are no waivers by shareholders of their rights to dividends.
 - There are no investments or other reserves established for the benefit of the Company.



06 Governance and Internal Control

6-1 Applied and Non-Applied Provisions of the Corporate Governance Regulations and the Reasons for Non-Application

Raydan Food Company has issued its own Corporate Governance Framework and continuously reviews and updates these policies in line with relevant laws and regulations. These include:

- Audit Committee Charter
- Nomination and Remuneration Committee Charter
- Executive Committee Charter
- Governance and Risk Committee Charter
- Policies, Standards, and Procedures for Board Membership
- Remuneration Policy for Board Members, Board Committees, and Executive Management
- Delegation of Authority and Financial Authority Manual
- Corporate Governance Manual
- Dividend Distribution Policy
- Board Operating Procedures Policy
- Conflict of Interest Policy
- Competition Controls and Standards Policy

The Company ensures that all policies and regulations are reviewed annually.

6-2 Methods Used by the Board of Directors to Evaluate Its Performance and the Performance of Its Committees

The Board relies on multiple methods, including predefined criteria and various evaluation techniques. Performance is assessed based on financial and administrative achievements, fulfillment of duties, and effective participation in Board and committee meetings. An external party was appointed to conduct the performance evaluation. Transparency and integrity are essential components of corporate governance and contribute to building trust among investors, companies, and external stakeholders.

6-3 Training and Qualification of the Board Members and the Derived Committees

The company is committed to providing adequate attention to the training and qualification of Board members, committee members, and the executive management, in a way that enhances their competencies and supports governance practices. In this context, the company implemented a training program for Board members in cooperation with the Financial Academy, conducted remotely through modern digital technologies. The program covered the latest updates issued by the Capital Market Authority regarding regulations and legislation, contributing to raising the level of knowledge and enhancing the effectiveness of the Board's performance.

6-4 Provisions of the Corporate Governance Regulations Not Applied by the Company

Article / Paragraph	Regulation Text	Reason for Non-Application
82	Employee Motivation Programs, including: (1) forming committees or workshops to hear employee views; (2) share-based or profit-sharing programs; (3) establishing social institutions for employees.	Guiding article. The company has incentive programs.

6-5 Details of Any Penalty, Sanction, Precautionary Measure, or Reserve Imposed on the Company

No penalties, sanctions, or reserves have been imposed on Raydan by the Capital Market Authority or any supervisory, regulatory, or judicial authority, other than what is disclosed in this report.

6-6 Management Confirmations and Effectiveness of Internal Control Procedures, and the Audit Committee's Opinion

1. Board of Directors' Findings from Its Annual Review of Internal Control Effectiveness

An effective internal control system is one of the Board's primary responsibilities. The Audit Committee's main role is to verify the adequacy and effectiveness of the internal control system and provide recommendations to the Board to enhance the

system in a manner that supports the Company's objectives and protects shareholders' interests.

The internal control system aims to ensure the Company's objectives are achieved efficiently and effectively. Key elements supporting the system include:

- Board-approved policies
- Financial and administrative authority matrices
- Clear organizational structure
- Accounting and performance-based reward systems
- Approved budgets
- Code of ethics and conduct
- Delegation of authority framework
- Qualified human resources
- Systems for safeguarding records and assets
- Segregation of duties
- Compliance programs

2. Audit Committee's Opinion on the Adequacy of the Internal Control System

The Committee did not observe any matters indicating a material deficiency requiring disclosure regarding the soundness of financial and accounting systems or financial reporting.

Based on meetings with the external auditor, internal auditor, and executive management, and the reports received, the Committee believes the internal control system is operating effectively, with a need to improve certain aspects during the past fiscal year.

It is noted that no internal control system can provide absolute assurance.

3. Audit Committee Recommendation Regarding the Need to Appoint an Internal Auditor

The Committee did not recommend appointing an internal auditor, as the Company already has an Internal Audit Department.

No material deficiencies were identified that require disclosure.

Necessary actions have been taken to improve effectiveness based on internal and external audit observations.

4. Audit Committee Recommendations That Conflict with Board Decisions

There are no recommendations by the Audit Committee that conflict with Board decisions regarding the appointment, dismissal, remuneration, or performance evaluation of the external auditor or the appointment of an internal auditor.

6-7 General Assemblies of Shareholders

During 2025, the following assemblies were held:

1. Ordinary General Assembly:

- 20-05-2025
- 25-05-2025

2. Extraordinary General Assembly:

- 02-11-2025

6-8 Disclosure of Any Departure from SOCPA Accounting Standards

There were no departures from the accounting standards issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) in reviewing and evaluating the Company's financial statements for 2025.

6-9 Appointment of the Company's External Auditor

- Ibrahim Ahmed Al-Bassam & Partners, Certified Public Accountants (Al-Bassam & Partners), were selected as the company's external auditor at the Annual General Assembly by the shareholders during the meeting held on Sunday, 27/11/1446H corresponding to 25/05/2025.
- It is worth noting that several items do not apply to Raydan, including the following:
- Raydan has not provided any type of cash loan to any member of its Board of Directors, nor has it guaranteed any loan contracted by a Board member with any third party.
- Raydan has no convertible debt instruments, contractual securities, warrants, or similar rights that it has issued or granted.
- There are no conversion or subscription rights arising from convertible debt instruments, contractual securities, warrants, or similar rights issued or granted by Raydan.
- Raydan has not redeemed, purchased, or canceled any redeemable debt instruments.
- The Board of Directors has not recommended changing the external auditor before the end of the appointed term.
- The company does not hold any treasury shares.
- There are no reservations on the annual financial statements.
- Raydan does not have any preferred shares or shares with special voting privileges for shareholders or Board members. All Raydan shares are ordinary

shares of equal nominal value and equal voting and other rights in accordance with regulations.

- Raydan is subject to Zakat in accordance with the regulations of the General Authority of Zakat and Tax in the Kingdom of Saudi Arabia. The company records the annual Zakat provision in the income statement, and any adjustments resulting from the final Zakat assessment—if any—are recorded in the period in which the assessment is finalized.
- The company's external auditor did not provide any advisory services during 2025 and did not receive any fees in this regard.

During 2025, the Board of Directors ensured that all inquiries and suggestions submitted by shareholders—particularly those directed to non-executive members—were communicated to the Board for review and consideration individually, in order to approve what aligns with Raydan's policies and does not conflict with relevant laws and regulations.

6-10 Dividend Distribution Policy

The Company's annual net profits, after deducting all general expenses and other costs including the Sharia-prescribed Zakat, shall be distributed in accordance with Article (45) of the Company's Bylaws as follows:

1. The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting statutory reserves, if any.
2. A shareholder becomes entitled to his share of the dividends pursuant to the resolution issued by the General Assembly in this regard. The resolution shall specify the entitlement date and the distribution date. Dividend entitlement shall be for shareholders registered in the shareholders' register at the end of the entitlement date. Regulations shall specify the maximum period within which the Board of Directors must implement the General Assembly's resolution regarding dividend distribution.

Dividend Entitlement

A shareholder becomes entitled to dividends pursuant to the resolution issued by the General Assembly in this regard. The resolution shall specify the entitlement date and the distribution date. Dividend entitlement shall be for shareholders registered in the shareholders' register at the end of the entitlement date. The Board of Directors must implement the General Assembly's resolution regarding the distribution of dividends to shareholders.

6-11 Share Ownership and Debt Instruments with Voting Rights Held by Board Members, Senior Executives, and Their Relatives During the Year Ended 31-12-2025

#	The name of the person to whom the interest belongs	Beginning of the year 2025		End of the year 2025		Net change during the year	Percentage change
		Number of shares	Dean's tools	Number of shares	Dean's tools		
Substantial Shareholders							
1	Mansour Awadullah Al Sulami	2,326,528	–	933,604			–1.952
Members of the board of directors							
1	Nair Bayan Al-Sulami	468	–	216	–	–	–0.0000070
2	Sultan Mohammed Al-Huwaimel	–	–	–	–	–	%0
3	Abdullah Ahmed Al Darwish	–	–	–	–	–	%0
4	Adil Shamsuddin Siddiqi	–	–	–	–	–	%0
5	Mazen Issa Al Harbi	–	–	11	–	–	%0
6	Mansour Nasser Al Sulami	35	–	16	–	–	–0.0000026
Executive management							
1	Khalil Kamil Abou Fadel	–	–	–	–	–	%0
2	Jamal Nasser Abdulkarim	–	–	–	–	–	%0

6-12 The number of the company's requests for the shareholders' register, along with the dates of those requests and their reasons during the year 2025.

#	Order history	Property profile history	Reasons for demand
1	21/01/2026	31/12/2025	Other
2	23/11/2025	23/11/2025	Other
3	02/11/2025	01/11/2025	Corporate actions
4	02/11/2025	02/11/2025	General Assembly
5	28/08/2025	27/08/2025	Other
6	13/07/2025	30/06/2025	Corporate actions
7	20/05/2025	25/05/2025	General Assembly
8	19/05/2025	20/05/2025	General Assembly
9	08/05/2025	03/04/2025	Other
10	04/05/2025	31/03/2025	Other

6-13 Loan Information on the Company

The Group has a long-term loan amounting to SAR 35.1 million in the form of a long-term finance lease to fund capital expansion projects. This loan is secured by a mortgage over plots of land owned by the Group. The loan carries an annual interest rate of 8%, and the total financing charges related to this loan were fully deducted in advance from the amount received. The withdrawn amount is repaid in quarterly installments.

The long-term loan is denominated in Saudi Riyals. On 28 October 2020, the Company reached an agreement to reschedule the loan installments, which included additional financing charges of SAR 3,216,731 to be paid over the new loan term. Accordingly, the quarterly installments were reduced, and the repayment period was extended to end on 15 October 2025.

The long-term financing maturity schedule is as follows as of December 31 (in thousand riyals) :

2024 SAR	2025 SAR	Years
0	0	2023
495	0	2024
2,967	0	2025
2,473	3,367	2026
5,935	3,367	Total

The group had the following list of balances related to this financing as of December 31 (in thousand riyals) :

2024 SAR	2025 SAR	Statement
5,215	3,694	Long-term financing
(719)	(326)	Download: deferred financing costs
5,216	3,367	Net
(2,575)	3,367	Come down: the Rolling part
1,922	0	Non-rolling segment

6-14 Description of Any Transaction Between the Company and a Related Party

The Company's share in the associate company (Aljonah): The Company owns a 30% stake in Aljonah Al-Mumtazah for Sweets and Events Co. Ltd.

6-15 business or contracts with related parties that have a direct or indirect interest to the members of the board of directors, senior executives or any person related to any of them

Total transactions with related parties during the year 2025 (value in thousand riyals) :

The amount of the transaction during the year		Names of those involved in business	Nature of the transaction	Type of relationship	Name of the related party	#
2024	2025					
5,608	0	The partners of the company are Mr. Nassar Awadallah Al-Salami and Mr. Mishaal Awadallah Al-Salami. Founding shareholders of Raydan food company and Raydan food company owns 30% of Aljonah distinguished company for sweets and parties Ltd	Rentals / Sales	Associate company	Aljonah distinguished company for sweets and parties limited	1
0	1,208		Purchases			
5,608	1,208	Total				

Receivable from related parties (value in thousand riyals) :

Balance		Names of those involved in business	Nature of the transaction	Type of relationship	Name of the related party	#
2024	2025					
2,071	0	The partners of the company are Mr. Nassar Awadallah Al-Salami and Mr. Mishaal Awadallah Al-Salami. Founding shareholders of Raydan food company and Raydan food company owns 30% of Aljonah distinguished company for sweets and parties Ltd	Rentals / Sales	Associate company	Aljonah distinguished company for sweets and parties limited	1
2,071	0	Total				

Receivable to related parties (value in thousand riyals):

Balance		Names of those involved in business	Nature of the transaction	Type of relationship	Name of the related party	#
2024	2025					
0	0	The partners of the company are Mr. Nassar Awadallah Al-Salami and Mr. Mishaal Awadallah Al-Salami. Founding shareholders of Raydan food company and Raydan food company owns 30% of Aljonah distinguished company for sweets and parties Ltd	Rentals / Sales	Associate company	Aljonah distinguished company for sweets and parties limited	1
0	0	Total				

6-16 Statutory Payments Settled

- **Zakat:**

The Company is subject to the regulations of the General Authority of Zakat and Tax (GAZT) in the Kingdom of Saudi Arabia. Zakat is recorded on an accrual basis.

- **Tax:**

The Company complies with the applicable tax laws and regulations in force.

- **Social Insurance:**

The Company is subject to the Social Insurance Law, and social insurance contributions are recorded on an accrual basis. Social insurance payments are made monthly based on the amounts accrued for the preceding month.

19/3 Zakat Provision

The movement of zakat and income tax payable is as follows:

December 31 2024	December 31 2025	
1,016,127	526,539	January 1
300,218	76,218	Charged during the year
(789,806)	(526,539)	Paid during the year
526,539	76,218	December 31

19 – Zakat and Income Tax (Continued)

19/4 Zakat and Tax Status

Raydan Food Company

Zakat:

The Company has submitted its zakat returns for the years ended 31 December from inception up to 31 December 2023, and zakat certificates for these years have been received.

Value Added Tax (VAT):

VAT returns have been submitted on a monthly basis from January 2018 until December 2024.

Raydan Kitchens & Restaurants – Egypt

A) Corporate Income Tax

- The Company was notified with an estimated Form 19 for the period from the start of operations until 31 December 2016. An objection has been filed, and a request for re-examination will be submitted.
- The Company was notified with Form (4/3) requesting preparation of examination documents for the years 2018 to 2020.
- The tax return for the year ended 2024 was submitted within the statutory deadline.

B) Value Added Tax

- A tax audit was conducted for the period from the start of operations until 2018, and the Company settled the resulting tax differences.
- VAT returns were submitted and the due tax was paid within statutory deadlines for the years 2019 to 2025.

C) Payroll Tax

The competent tax authority notified the Company with an estimated Form (38) for the years from the start of operations until 2016. An objection was filed within the statutory deadlines, and a request for re-examination will be submitted.

D) Withholding Tax

The Company remits the amounts withheld from counterparties to the Tax Authority within the statutory deadlines.

E) Stamp Tax

The Company has not yet been subject to a stamp tax audit up to the date of these financial statements

6-17 Board of Directors' Declarations:

- The accounting records have been properly prepared.
- The internal control system has been established on sound bases and has been effectively implemented.
- There is no significant doubt regarding the Company's ability to continue its operations.

➤ Quality control : :

Since its inception, Raydan food company has believed that its sustainability will be derived from the trust of its customers, so it has strived to make quality performance a basic concept, to achieve excellence, leadership, and enhance competitiveness, so it has developed policies and procedures to apply the quality methodology to the workflow of its concerned departments, attract the best cadres and strive to achieve the highest quality standards, apply the latest methods and methods adopted, which aims to continuous improvement, increase confidence among its customers and meet their wishes and requirements, and achieve the best local and international standards and specifications. By adopting the concept of quality in all its vital and strategic dimensions theoretically and practically, Raydan food company has obtained:

- ISO certificate in quality systems management ISO9001: 2015ISO
- certification in food safety system management ISO22000: 2018HACCP
- certificate in risk analysis and critical control points

The challenge remains for continuous development in all aspects



➤ **Human resources:**

In 2025, the company developed its plans and updated its strategy to provide an attractive work environment for talents and to localize jobs to raise the ranges of Saudization in it and on the other hand to attract competencies and practical experiences that increase the value of the human resource in the company, in addition to planning the career path of employees, organizing their activities, guiding, directing and motivating them and then monitoring performance results after checking the degree of effectiveness. Taking into account that all sectors of the company are being restructured to suit the company's future goals.

➤ **Training and development:**

The company continued to provide training and development programs for its employees, in addition to the introduction of the talent acquisition and Development Department in the administrative structure, which is responsible for training employees, following up on evaluating their performance, updating the career ladder and salary ladder, and human resources policies and procedures to follow up on the performance of employees, evaluating and developing them, which aims to continue providing outstanding service to the company's customers.

➤ **Internal audit.**

The main task of the Internal Audit Department is to provide independent and objective opinions to the company on issues related to risk, control and governance, in addition to its effective role and continuous support to all sectors of the company in achieving its strategic goals. It also reviews and evaluates the administrative controls, plans and procedures approved by the company to guide its activities and provide the necessary information to enable it to effectively control the assets and operations of its sectors, in addition to providing independent and objective recommendations to support executives to improve the effectiveness of risk, control and governance mechanisms.

➤ **Supply and catering:**

The company continues its search and negotiation policy to bring the best raw materials with the best quality and lowest cost in light of the high prices of basic raw materials and the development of supply and supply management to cope with the current challenges related to the high prices of basic raw materials.

➤ **Information technology:**

The company's IT department has witnessed improvements and developments, most notably the introduction of high-tech programs with compatibility with the local environment and the continuation of the development of the company's automated and technical system to keep pace with the requirements of operation, Marketing, Sales and customer service with the latest modern technical means and programs.

➤ **Legal adviser.**

The main task of the legal department, through the appointed legal adviser of the company, is to provide legal advice to all business units of the company, as well as handling various daily legal matters of the company and following up all legal issues with the concerned authorities to ensure compliance of all sectors of the company with the laws and legislation in force in the kingdom .the legal adviser has been very active regarding legal risks in all business units of the company as well as the careful review of contracts and various agreements with all parties.

➤ **Shareholders ' rights and the mechanism of communication with them:**

As part of Raydan food company's keenness to ensure the rights of its shareholders, the company has attached great importance to its shareholders by informing them about the company's performance and aspirations through the annual report of its board of directors, as well as continuously informing them of any important developments that have an impact on its financial situation and its business through the website of the Saudi capital market company (Tadawul Saudi Arabia), while publishing information related to the company, including preliminary results and annual financial results on the company's website and other means of disclosure in accordance with the disclosure policies that the company is keen to follow by applying the instructions of the Capital Market Authority and the regulations in force in the kingdom of Arabia Saudi Arabia .The company has also allocated channels to communicate with shareholders to answer their queries and information needs.

6-18 the most important events during 2025 :

#	The event	Date
1	Raydan Food Co. announces the deposit of the amounts from selling the shares fractions resulted from the company's capital Decrease in the eligible shareholder's accounts	1447/06/10 01/12/2025
2	Raydan Food Co. Announces the Decrease of its Accumulated Losses to 35.8 % of the Capital	1447/06/06 27/11/2025
3	Raydan Food Co. Announces its accumulated loses reaching 66.8 % of its capital	1447/05/20 11/11/2025
4	Raydan Food Co. announces its Interim Financial results for the Period Ending on 2025-09-30 (Nine Months)	1447/05/20 11/11/2025
5	Raydan Food Company announces the results of the Extraordinary General Assembly meeting regarding the reduction of the company's capital (Second Meeting)	1447/05/12 03/11/2025
6	Raydan Food Company announces the start date of electronic voting on the agenda items of the Extraordinary General Assembly Meeting, which includes the reduction of the company's capital (First Meeting)	1447/05/06 28/10/2025
7	Supplementary Announcement from Raydan Food Company regarding the Board of Directors' invitation to the shareholders to attend the Extraordinary General Assembly Meeting (First Meeting), which includes a capital reduction, to be held via modern technological means.	1447/04/17 09/10/2025
8	The Board of Directors of Raydan Food Company invites its shareholders to attend the Extraordinary General Assembly meeting (First Meeting), which includes the reduction of the company's capital, via modern technological means.	1447/04/17 09/10/2025
9	Raydan Food Co. Announces its accumulated loses reaching 60.41 % of its capital	1447/02/17 11/08/2025
10	Raydan Food Co. announces its Interim Financial results for the Period Ending on 2025-06-30 (Six Months)	1447/02/17 11/08/2025
11	Raydan Food Co. Announces the Submission of the Decrease of the Company's Capital Application File to CMA	1447/02/13 07/08/2025
12	Raydan Food Company announces the Board of Directors' recommendation to reduce the company's capital, followed by an increase in capital through a rights issue offering	1446/12/02 29/05/2025
13	Raydan Food Co. Announces the Results of the Ordinary General Assembly Meeting (First Meeting)	1446/11/28 26/05/2025
14	Raydan Food Company announces the appointment of the Chairman and Vice Chairman of the Board of Directors, the formation of the committees, the appointment of the Board Secretary, and the appointment of the Company's representatives to the Capital Market Authority	1446/11/24 22/05/2025
15	Raydan Food Co. Announces the Results of the Ordinary General Assembly Meeting (First Meeting)	1446/11/23 21/05/2025

#	The event	Date
16	Raydan Food Company announces to its esteemed shareholders the commencement date of the electronic voting on the agenda of its Ordinary General Assembly Meeting (OGM) (First Meeting)	1446/11/17 15/05/2025
17	Raydan Food Co. Announces its accumulated loses reaching 53.74 % of its capital	1446/11/17 15/05/2025
18	Raydan Food Co. announces its Interim Financial results for the Period Ending on 2025-03-31 (Three Months)	1446/11/17 15/05/2025
19	Raydan Food Co. Announces an update on Raydan Food Co. Board invites its shareholders to attend the Ordinary General Assembly Meeting the (First Meeting)	1446/11/07 05/05/2025
20	Raydan Food Co. Board invites its shareholders to attend the Ordinary General Assembly Meeting the (First Meeting)	1446/11/01 29/04/2025
21	The Board of Directors of Raydan Food Company Invites its Shareholders to Attend the Ordinary General Assembly Meeting (First Meeting) Through Means of Modern Technology	1446/10/23 21/04/2025
22	Raydan Food Co. Announces its accumulated loses reaching 48.95 % of its capital	1446/10/09 07/04/2025
23	Raydan Food Co. announces its Annual Financial results for the period ending on 2024-12-31	1446/10/02 31/03/2025
24	Raydan Food Company announces to its esteemed shareholders the commencement of liquidation procedures for its subsidiary in Egypt	1446/08/05 04/02/2025
25	Raydan Food Co. announces the opening of the nomination period for the board of director's membership	1446/08/03 02/02/2025
26	Raydan Food Co. Announces Appointment of a CEO	1446/07/15 15/01/2025