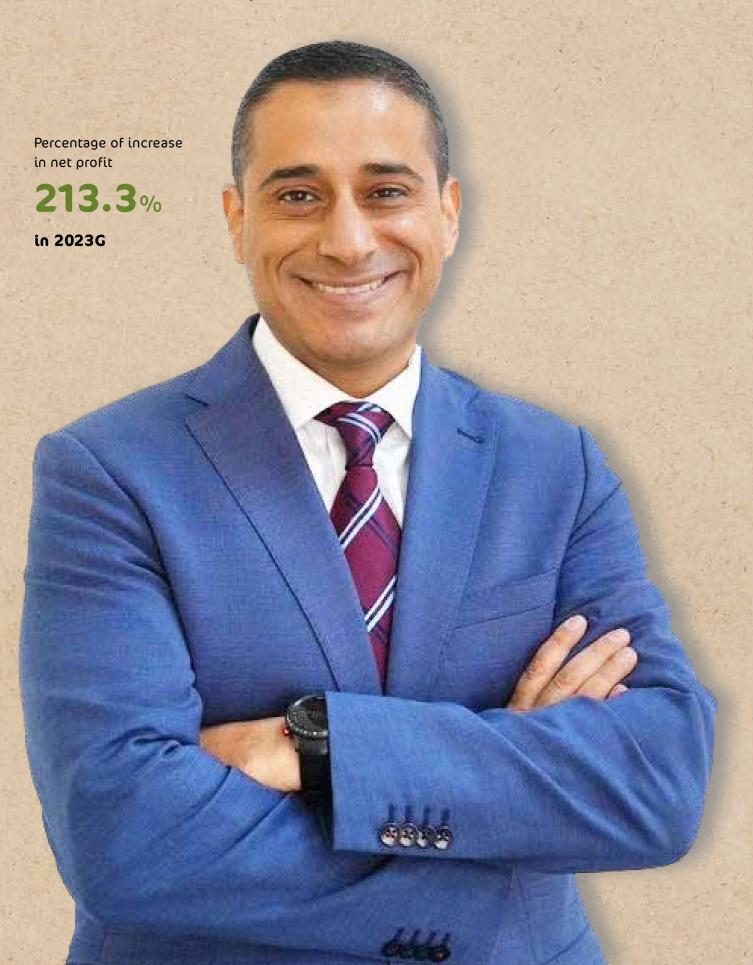
Chief Financial Officer's Message

Mr. Hassan Akroug



Nadec Achieves Impressive Results in Financial Year 2023G

I am proud to present to you the achievements of Nadec's Financials in 2023G, following the adoption of the company's new strategy under the slogan "New Dawn". This strategy included a major directive aimed at improving cost efficiency, expanding our product in line with improved quality, and improving distribution channels. With this strategy in mind, we were able to develop supply chain efficiency and reduce waste. We also increased our market share by introducing new products that meet customer's needs, despite challenges related to raw material and fuel price inflation. In addition, we succeeded in effectively reducing the cost of sales ratio.

Furthermore, we were able to effectively manage cashflows in order to finance operational needs internally and repay scheduled interest and principal on our loans by optimizing our operating cycle.

The results achieved in 2023G demonstrate the strength of Nadec's brand. Revenues increased by 18.66% to reach SAR 3.197 billion in 2023G from SAR 2.694 billion in 2022G. This increase was mainly driven by strong business and growth due to the increased demand. The net income reached SAR 302.06 million in 2023G, which is a positive amount in line with our future aspirations and the company's strategy.

In the context of the company's revenue, the figures show that sales of dairy and food processing products make up the majority of the company's revenues, accounting for 96.3% of total revenue in the to 2023G. Sales of calf and red meat products accounted for SAR 3% of total revenue in the same period. Revenue generated from agricultural products represented 3.7% of total revenue.

However, the cost of sales increased to SAR 2.013 billion in 2023G, from SAR 1.886 billion in the previous year. This increase is attributable to higher sales, while the percentage of the cost sales dropped from 70% to 63% due to efficiencies in material cost.

Gross profit increased from SAR 808.33 million in the 2022G fiscal year to SAR 1,183.74 million in the 2023G fiscal year. This is mainly due to the "New Dawn" strategy, which aims to expand the profit margin of the operating sectors and address the cost challenges.

Other revenue reached SAR 58.8 million in the 2023G fiscal year, including revenue from government grants of SAR 19.5 million. Other expenses amounting to SAR 52.4 million were recorded, including losses from the sale of property, machinery and equipment.

In conclusion, Nadec succeeded in achieving outstanding results in the 2023G fiscal year. Challenges were turned into opportunities for development and improvement. The above achievements demonstrate the company's ability to adapt to economic changes and effectively manage its operations. This proves Nadec's commitment to realizing excellence and sustainability in all aspects of its business and increasing its capital to SAR 3 billion to reflect the scale of its ambitions and future plans.