

## Statement of Financial Position as at 31 December 2023

Figures are in (Millions) SAR	2023	2022	Change %	2021	2020	2019
Non - Current Asset	2,694.9	2,706.8	(0.44)	2,744.5	2,775.0	2,837.3
Current Assets	2,414.9	1,114.7	116.64	1,145.2	1,100.6	1,106.7
<b>Total Assets</b>	<b>5,109.8</b>	<b>3,821.5</b>	<b>33.71</b>	<b>3,889.7</b>	<b>3,875.6</b>	<b>3,944.0</b>
Non-Current Liabilities	284.5	1,089.5	(73.89)	1,363.9	1,082.2	1,260.3
Current Liabilities	1,232.4	1,436.9	(14.23)	1,330.0	1,315.1	1,243.2
<b>Total Liabilities</b>	<b>1,516.9</b>	<b>2,526.4</b>	<b>(39.96)</b>	<b>2,693.9</b>	<b>2,397.3</b>	<b>2,503.5</b>
Shareholders' Equity	3,592.9	1,295.1	177.42	1,195.8	1,478.3	1,440.5
<b>Total Shareholders' Equity and Liabilities</b>	<b>5,109.8</b>	<b>3,821.5</b>	<b>33.71</b>	<b>3,889.7</b>	<b>3,875.6</b>	<b>3,944.0</b>

## Statement of Profit or Loss for the year ended 31 December 2023

Figures are in (Millions) SAR	2023	2022	Change %	2021	2020	2019
Revenue	3,196.9	2,694.2	18.66	2,272.3	2,303.1	2,225.3
Cost of Sales	(2,013.2)	(1,885.9)	6.75	(1,641.5)	(1,577.2)	(1,380.7)
<b>Gross Profit</b>	<b>1,183.7</b>	<b>808.3</b>	<b>46.44</b>	<b>630.8</b>	<b>725.8</b>	<b>844.6</b>
<b>Operating Profit / (Loss)</b>	<b>344.5</b>	<b>147.0</b>	<b>134.35</b>	<b>(213.3)</b>	<b>84.6</b>	<b>115.9</b>
<b>Profit/ (Loss) for the year</b>	<b>302.1</b>	<b>95.5</b>	<b>216.34</b>	<b>(285.0)</b>	<b>35.7</b>	<b>(7.3)</b>
<b>Total comprehensive income for the year</b>	<b>312.0</b>	<b>99.3</b>	<b>214.20</b>	<b>(282.4)</b>	<b>37.7</b>	<b>(5.7)</b>

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

## The movement of Cash Flows for the year ended on December 31 2023

Figures are in (Millions) SAR	2023	2022	Change %	2021	2020	2019
Profit before Zakat	290.3	101.5	186.01	(245.3)	41.4	(2.4)
Cash flows from operating activities	750.3	477.1	57.26	324.6	426.9	463.4
Net cash flows from operating activities	654.7	451.8	44.91	255.6	443.3	551.2
Net cash flows used in investing activities	(756.5)	(243.0)	211.32	(324.8)	(216.9)	(235.6)
Net cash flows from (used in) financing activities	824.7	(177.5)	(564.62)	82.4	(219.7)	(288.8)
<b>Net change in cash and cash equivalent</b>	<b>722.8</b>	<b>31.2</b>	<b>2,216.67</b>	<b>13.2</b>	<b>6.7</b>	<b>26.8</b>
Cash and cash and cash equivalent at beginning of the year	112.8	81.9	37.73	68.7	62.0	35.2
<b>Cash and cash and cash equivalent at end of the year</b>	<b>834.7</b>	<b>112.8</b>	<b>639.98</b>	<b>81.9</b>	<b>68.7</b>	<b>62.0</b>

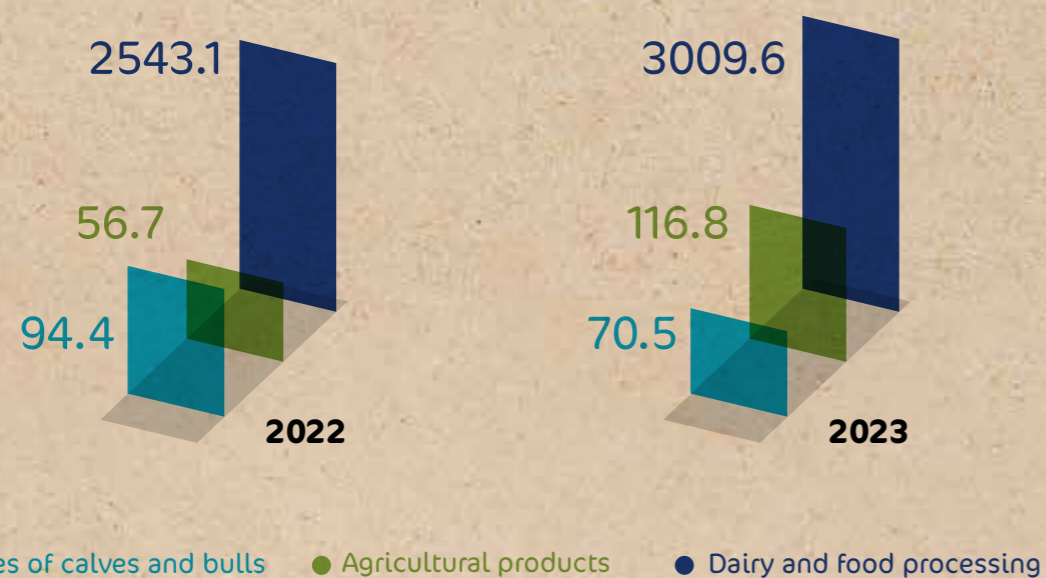
## Key Performance Indicators

Indicators	2023	2022	2021	2020	2019
Return on revenue	9.4%	3.5%	-12.5%	1.5%	0.3-%
Return on equity	8.4%	7.4%	-23.8%	2.4%	0.5-%
Loan-to-equity ratio	10.5%	117.8%	136.9%	100.8%	113.6%
Revenue growth rate	18.7%	18.6%	-1.3%	3.5%	6.2%
The ratio of operating profit to revenue	10.8%	5.5%	-9.4%	3.7%	5.2%
Number of shares (million)	301.6	101.6	101.6	101.6	101.6
Earnings (loss) per share (SR)*	1.77	0.94	(2.81)	0.35	(0.07)

## Revenue growth by sector

Figures are in (Millions) SAR	2023	2022	Change %	% of revenue 2023	% of revenue 2022
Dairy and food processing	3,009.6	2,543.1	18.3	94.1	94.4
Agricultural products	116.8	56.7	106	3.7	2.1
Sales of calves and bulls	70.5	94.4	(25.3)	2.2	3.5
<b>Total Revenue</b>	<b>3,196.9</b>	<b>2,694.2</b>	<b>18.7</b>	<b>100.0</b>	<b>100.00</b>

Nadec operates in two main business sectors, Manufacturing of Dairy and Foods and Production of Agricultural Products, total revenues increased during the current year 2023G by 18.7% compared to the previous year. Revenue of dairy and food processing segment increased by 19.2% and revenue of agricultural segment increased by 6.03%.



## Operating expenses

Figures are in (Millions) SAR	2023	% on sales	2022	% on total	Change %
Cost of Sales	2,013.2	63.0	1,885.9	70.0	6.8
Selling and Marketing expenses	339.6	17.5	488.2	18.1	14.6
Impairment Losses on Trade and other Receivables	48.8	1.5	11.6	0.4	320.7
General and administrative expenses	213.1	6.7	139.0	5.2	53.3
Other operating expenses (income).	-6.3	-0.2	12.5	0.5	-150.4
Write off/ impairment losses on property, plant and equipment	24.0	0.8	10.0	0.4	140.0
<b>Total operating expenses</b>	<b>2,852.4</b>	<b>89.2</b>	<b>2,547.2</b>	<b>94.5</b>	<b>12.0</b>

Figures are in (Millions) SAR	2023	% on sales	2022	% on total	Change %
Direct production costs	1,544.3	48.3	1,449.0	53.8	6.6
Employees costs	502.3	15.7	462.4	17.2	8.6
Marketing expenses	183.0	5.7	125.8	4.7	45.5
Operating and Administrative expenses	394.6	12.3	259.1	9.6	52.2
Depreciation of property and right-of-use assets	234.5	7.3	238.4	8.8	-1.6
Other operating expenses (income)	-6.3	-0.2	12.5	0.5	-150.4
<b>Total operating expenses</b>	<b>2,852.4</b>	<b>89.2</b>	<b>2,547.2</b>	<b>94.5</b>	<b>12.0</b>

Figures are in (Millions) SAR	2023	% on sales	2022	% on total	Change %
Revenues	3,196.9	100.0	2,694.2	100.0	18.7
<b>Operational costs</b>					
Cost of Sales	2,013.2	63.0	1,885.9	70.0	6.8
Selling and Marketing expenses	339.6	17.5	488.2	18.1	14.6
Impairment Losses on Trade and other Receivables	48.8	1.5	11.6	0.4	318.1
General and administrative expenses	213.1	6.7	139.0	5.2	53.3
Other operating expenses (income).	-6.3	-0.2	12.5	0.5	-150.4
Write off/ impairment losses on property, plant and equipment	24.0	0.8	10.0	0.4	140.0
<b>Total operating expenses</b>	<b>2,852.4</b>	<b>89.2</b>	<b>2,547.2</b>	<b>94.5</b>	<b>12.0</b>
<b>Operating profit</b>	<b>344.5</b>	<b>10.8</b>	<b>147.0</b>	<b>5.5</b>	<b>134.4</b>

Total operating expenses for this year increased by 12.0% compared to last year due to the increase in the cost of revenues compared to the last year by 6.8% due to the increase in material consumption and also the increase in Selling and marketing expenses by 14.6% due to the growth in sales volume for this year compared to the last year. General and administrative expenses went up by 53.3% compared to last year.

Despite the increase in the operating expenses by 12%, for this year compared to last year, the operating profit for the current year rose compared to last year by 134.4% because of the increase in revenues for this year by 18.7%.

## Working Capital Development

Figures are in (Millions) SAR	2023	2022	2021	2020	2019
Current Assets	2,414.8	1,114.7	1,145.2	1,100.6	1,106.7
Current liabilities	1,232.4	1,436.9	1,330.0	1,315.1	1,243.1
Working capital	1,182.4	(322.2)	(184.8)	(214.5)	(136.4)

The deficit in the working capital of the company during the year 2022 reached 322.2 million Saudi riyals, because of the increase in current portion of long-term loans and increase in trade payable and other payables. During the current year working capital became positive due to repayment of current portion of the loans.

## Details of loan movements from local banks with Murabaha contracts (deferred sale) and the balance as of 31 December 2023

Figures are in (Millions) SAR	Opening balance 2023				Closing Balance 2023					
	Credit limit	Principal of the loan	Interests due	Opening balance	Additions during the year 2023	Payments during the year 2023	Principal of the loan	Interests due	Closing balance	Duration of the loan
SNB	100.0	50.0	0.2	50.2	0.6	50.8	50.0	0.8	0.0	3 months
Al Rajhi Bank	463.3	242.0	2.8	244.8	60.0	294.6	277.0	17.6	10.1	3 to 66 months
Saudi British Bank	875.0	423.8	3.2	427.0	310.6	408.5	380.9	27.7	329.1	3 months 46 months
Riyad Bank	962.0	687.3	5.3	692.6	156.2	815.4	767.3	48.0	33.5	3 to 66 months
Arab national Bank	100.0	13.0	0.1	13.1	0.09	13.14	13.00	0.10	0.05	3 months
<b>Total Balance</b>	<b>100.0</b>	<b>50.0</b>	<b>11.6</b>	<b>1,427.7</b>	<b>527.5</b>	<b>1,582.5</b>	<b>1,488.2</b>	<b>94.2</b>	<b>372.7</b>	

The above-mentioned table represents all loans granted to the company by local banks in the Kingdom of Saudi Arabia and in line with the term sale agreements concluded with the company and those banks, in accordance with Islamic law, and according to to payment schedules that have been previously agreed upon with those banks and the loan term shown in the above table.

## Statement of outstanding loans from local banks and their maturity dates

Figures are in (Millions) SAR	2023	2022	Change %
less than one year	227.62	587.7	-61%
From one year to two years	145.28	284.1	-49%
From two to five years	-	525.8	-100%
more than five years	-	30.1	-100%
<b>Total balance</b>	<b>372.7</b>	<b>1,427.7</b>	<b>-74%</b>

## Movement of Agricultural Development Fund loans

Figures are in (Millions) SAR	2023	2022	Change %
Opening Balance	97.7	5.5	1,676.36%
Additions during the year	54.81	93.3	-41.25%
Payments during the year	149.07	-1	-15,006.86%
<b>Total balance</b>	<b>3.5</b>	<b>97.7</b>	<b>-96.42%</b>

During the year, the company was granted a short-term loan of SAR 54.81 million for a period of one year. This loan is secured by stock owned by the company. The balance of these loans from the Agricultural Development Fund, as of December 31, 2023, amounted to 3.5 million Saudi riyals (Note (27.2) annual financial statements for the year 2023).

## Government Payments in 2023

A statement	Payment (Millions) SAR	Due Balance (Million SAR)	Brief description	Reasons
Visas, passports, labor office and municipal fees	46.86	-	Visas, employment office fees, residency renewal, and municipal fees during the year 2023.	
Value added tax	237.2	14.27	The value-added tax paid during the year 2023.	VAT in December 2023, to be paid in January 2024.
Zakat and withholding tax	21.5	45.87	Zakat paid for previous years and withholding tax during the year 2023.	Zakat provision (note 32).
Social insurances	19.6	1.46	Amounts of insurances paid during the year 2023.	December 2023 Social insurance, to be paid in January 2024.
customs fees	19.2	-	Customs duties paid during the year 2023.	Customs declaration -2023.
<b>Total</b>	<b>344.4</b>	<b>61.6</b>		