

**Item #16:**

**Solvency Report**



The Board of Directors  
Saudia Dairy and Foodstuff Company (SADAFCO)  
P.O. Box 5043  
Jeddah 21422  
Kingdom of Saudi Arabia

***Independent limited assurance report over the schedule of information prepared in connection with the Implementing Regulation of the Companies Law for Listed Joint Stock Companies relating to the proposed buy-back of shares transaction***

We have undertaken a limited assurance engagement in respect of the accompanying schedule of proposed buy-back of shares transaction (the “Schedule”) of Saudia Dairy and Foodstuff Company (SADAFCO) (the “Company”) and its subsidiaries (collectively the “Group”) as at April 14, 2026, prepared in accordance with the applicable Criteria mentioned below.

***Subject matter***

The subject matter for our limited assurance engagement is the Schedule prepared by management of the Group as attached to this report and submitted to us.

***Criteria***

The criteria are the applicable requirements of Part Six, Chapter One, Article 17.3 of the Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued by the Capital Market Authority (“CMA”) of the Kingdom of Saudi Arabia dated March 30, 2026 (as amended) (the “Implementing Regulation” or the “Criteria”).

***Management’s responsibility***

The management of the Group is responsible for:

- the preparation of the Schedule in accordance with the Criteria and ensuring its completeness and accuracy;
- the design, implementation and maintenance of internal control relevant to the preparation of the Schedule that is free from material misstatement, whether due to fraud or error; and
- the calculation of capital requirements and working capital sufficiency in accordance with the Criteria.

***Professional ethics and quality management***

We have complied with the independence requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the “Code”), that is relevant to our limited assurance engagement and we have fulfilled our other ethical responsibilities in accordance with the Code’s requirements.

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

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### ***Our responsibility***

Our responsibility is to express a limited assurance conclusion on the Schedule based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' (ISAE 3000 (Revised)), as endorsed in the Kingdom of Saudi Arabia. This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Schedule is not prepared, in all material respects, in accordance with the applicable requirements of the Implementing Regulation relating to the proposed buy-back of shares.

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

### ***Summary of work performed***

We planned and performed the following procedures to obtain limited assurance over the Group's compliance with the requirements of the Implementing Regulation issued by CMA in the preparation of the Schedule.

1. Inspected the Board of Directors of the Company's resolution dated March 8, 2026, in which the proposed shares buy-back was approved.
2. Obtained the Schedule as at April 14, 2026, and the underlying workings and calculations, that support the requirements specified in the Implementing Regulations.
3. Compared the proposed number of shares for buy-back as set out in the Schedule with the number of shares approved in the resolution of the Board of Directors of the Company's resolution dated March 8, 2026.
4. With respect to the working capital details included in the Schedule, traced the forecasted working capital amount as at December 31, 2026, 2027 and 2028, to the consolidated business plan of the Group as at 31 December 2026, 2027 and 2028, as approved by the Company's management (Chief Executive Officer and Chief Financial Officer). We also inquired about the parameters and the nature of the assumptions applied in forecasted working capital calculation and their consistency with the historical basis of preparation of consolidated business plan of the Group, and applied analytical and other procedures to confirm our understanding of such consistency.
5. With respect to the summary of assets, liabilities and contingent liabilities (as per the Glossary of Defined Terms used in the Implementing Regulations and Rules of the CMA) outstanding as at December 31, 2025, and purchase price of the shares included in the Schedule:
  - a) Agreed the amount of total assets, total liabilities and total contingent liabilities as disclosed in the Schedule to the Group's audited consolidated financial statements for the year ended December 31, 2025;
  - b) Agreed the estimated price for the buy-back of treasury shares to the most recent quoted market price of Company's shares, as disclosed on Saudi Exchange (Tadawul), on the issuance date of the report; and
  - c) Checked the arithmetical accuracy of the computation of the surplus assets as reported in the Schedule (being the amount of assets remaining after the deduction of liabilities, contingent liabilities and estimated purchase cost of shares).

6. With respect to the treasury shares:

- a) Agreed the carrying value of treasury shares and retained earnings as disclosed in the Schedule with Group's audited consolidated financial statements for the year ended December 31, 2025; and
- b) Verified the arithmetical accuracy of the computation i.e. excess of retained earnings as at December 31, 2025 (i.e. being the excess of retained earnings after deduction of the treasury shares to be purchased by the Company after the proposed buy-back) as detailed in the Schedule.

Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities, testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.

### ***Inherent limitations***

Our procedures are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected.

Given the announcement requirements by the CMA, our report is issued well before the expected date of the completion of the proposed shares buy-back. As a result, the share price of the Company on the actual dates of execution of the proposed share buy-back transaction may be substantially different from the share price used in arriving at the estimated purchase cost of the proposed shares buy-back transaction in the Schedule as at the date prepared by management of the Group and accompanying our report. Further, the working capital following each proposed share buy-back transaction may also differ significantly from the calculation made by management and reflected in the Schedule.

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

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, that are endorsed in the Kingdom of Saudi Arabia, and accordingly we do not express an audit opinion or a review conclusion in relation to the adequacy of systems and controls. Furthermore, our procedures did not include testing or assessing any forward-looking statements or other information.

In the Middle East there are macroeconomic and geopolitical developments, the implications of which (both in terms of their duration and the extent of their potential or actual impact on the Group) cannot be assessed with certainty by the Group (together, the "Uncertainty Events"). In particular, the consequences of measures taken, or which may be taken, by governments, regulators or other authorities in response to such events remain uncertain and difficult to predict.

It is not possible for the Group or us to assess with certainty the implications of the Uncertainty Events on the Group, including potential impacts on operations, or services.

This conclusion relates only to the Schedule as at April 14, 2026 and should not be seen as providing assurance as to any future dates or periods, as changes in circumstances may alter the validity of our conclusion.

### ***Emphasis of matter***

We draw attention to the Schedule which states that the estimated forecasted working capital amount presented in the Schedule is based on the unaudited forecasted consolidated business plan of the Group for the years ending December 31, 2026, 2027 and 2028. Our conclusion is not modified in respect of this matter.

**Limited assurance conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Schedule as at April 14, 2026 is not prepared, in all material respects, in accordance with the applicable requirements of the Implementing Regulation relating to the proposed buy-back of shares.

**Restriction of use**

This report, including our conclusion, has been prepared solely upon the request of the Board of Directors of the Company, to assist the Company in fulfilling its reporting obligations to the CMA in accordance with the Implementing Regulation. The report should not be used for any other purpose or published except as permitted under the terms of our agreement. To the fullest extent permitted by law, we do not accept or assume responsibility to any third party.

**PricewaterhouseCoopers**



Mufaddal A. Ali  
License Number 447  
April 14, 2026





**SAUDIA DAIRY & FOODSTUFF COMPANY**  
SAUDI JOINT STOCK CO.

**الشركة السعودية لمنتجات الألبان والأغذية**  
شركة مساهمة سعودية

**Saudia Dairy and Foodstuff Company (SADAFCO)**  
**Schedule of Financial Information relating to Company's compliance with Part Six, Chapter One,**  
**Article 17.3 of the Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued by the**  
**Capital Market Authority**

**Financial Data Related to the Company's Compliance with Financial Solvency Requirements**

Expected Completion date for the Share Buyback: November 12, 2027 "18 months from expected date of General Assembly's approval".

**a. Adequacy of the working capital**

Amount in Saudi Riyals ("SR") million

|                            | December 31, 2026 | December 31, 2027 | December 31, 2028 |
|----------------------------|-------------------|-------------------|-------------------|
| Forecasted working capital | 556               | 421               | 567               |

**b. Summary of Assets and Liabilities including Contingent Liabilities**

As of December 31, 2025, based on the audited financial statements:

|                              | SR million   |
|------------------------------|--------------|
| Total Assets                 | 2,690        |
| Total Liabilities            | (947)        |
| Total Contingent Liabilities | (2)          |
| Net Assets                   | <u>1,741</u> |

**Estimated cost of the treasury shares to be purchased**

[Maximum number of shares to be purchased "2,709,627 shares" \* Most recent quoted market price of Company's share (SR 213)]

**Surplus Assets**

(577)

1,164

**c. Treasury shares**

SR million

Retained earnings as of December 31, 2025 (A)

1,487

Treasury shares reserve balance as of December 31, 2025

62

Estimated cost of treasury shares to be purchased

577

Total expected treasury shares balance after the purchase (B)

639

Remaining surplus (A – B)

848

Patrick Othmar Stillhart  
Chief Executive Officer

Subir Swarajya Dhawan  
Chief Financial Officer