



Transactions and Contracts



KPMG Professional Services Company

Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Limited Assurance Report to Saudia Dairy and Foodstuff Company on the Board of Directors' Declaration on the Requirements of Article 71 of the Companies Law

To the Shareholders of Saudia Dairy and Foodstuff Company (SADAFCO)

We were engaged by the management of **Saudia Dairy and Foodstuff Company** (SADAFCO) (the "Company") to report on the the Board of Directors' declaration prepared by the Management in accordance with the requirements of Article 71 of the Companies Law , which comprises the transactions carried out by the Company during the year ended 31 December 2024 in which any of the members of Board of Directors of the Company had direct or indirect personal interest as detailed below ("Subject Matter") and the accompanying management's statement thereon as set out in Appendix 1, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not properly prepared, in all material respects, based on the applicable criteria ("Applicable Criteria") below.

Subject Matter

The Subject Matter for our limited assurance engagement is related to the Board of Directors' declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, presented by the Board of Directors of **Saudia Dairy and Foodstuff Company (SADAFCO)** (the "Company"), which comprises the transactions carried out by the Company during the year ended 31 December 2024 in which any of the members of Board of Directors of the Company had direct or indirect personal interest.

Applicable Criteria

We have used the following as the Applicable Criteria:

- Article 71 of the Companies Law issued by Ministry of Commerce ("MOC").

Saudia Dairy and Foodstuff Company's Responsibility

The management of the Company is responsible for preparing the Subject Matter information that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein. The management of the Company is also responsible for preparing the Subject Matter information (i.e. Appendix 1).



Saudia Dairy and Foodstuff Company's Responsibility (continued)

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Subject Matter that information is free from material misstatement, whether due to fraud or error. It also includes selecting the Applicable Criteria and ensuring that the Company complies with the Companies Law ; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Subject Matter information.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibility

Our responsibility is to examine the Subject Matter information prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Subject Matter information is properly prepared, in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management 1 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.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter information in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information and the reasonableness of estimates made by the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted.

Procedures Performed

Our procedures performed are as follows:

- Obtained the declaration that includes the transactions and contracts performed in which any of the BOD members of the Company has either direct or indirect interest during the year ended 31 December 2024;
- Reviewed the minutes of meetings of the BoD that indicate notifications to the BoD by certain director(s) of actual or potential conflicts of direct or indirect interest in relation to transactions and contracts involving the BoD member;
- Checked that the minutes of meetings of the BOD that the relevant director(s) who notified the BoD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transactions and contracts;
- On a sample basis, obtained the required approvals along with supporting documents in respect of the transactions and contracts included in the declaration; and
- Checked the transaction amounts included in the Declaration agree, where applicable, to the transaction amounts disclosed in note 29 to the audited consolidated financial statements of the Company for the year ended 31 December 2024.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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


Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction of Use of Our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company and MOC for any purpose or in any context. Any party other than the Company and MOC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company and MOC for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company and MOC on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

For KPMG Professional Services Company


Abdullah Oudah Althagafi
License No. 455



Jeddah, April 23, 2025
Corresponding to Shawwal 25, 1446H

On 22/10/1446H
Corresponding to 20/04/2025

From: Board of Directors
To: Esteemed Shareholders (Assembly General Meeting)

Subject: Board of Directors Notification Regarding the Related Party Transactions

In accordance with Article (71) of the Companies Law and Article (27/9) of the Corporate Governance Regulation, which mandates the Board of Directors to disclose any personal direct or indirect interests in businesses or contracts associated with the Company, we would like to notify you of the transactions and contracts concluded during the fiscal year ending December 31, 2024, as follows. Please note that this document serves to inform the General Assembly about related party transactions and is not intended for voting purposes.

Company Name	Country	Nature of Transaction	Value (SAR Mln)	Closing Balance (SAR Mln)
Buruj Co-Op Insurance Co.	KSA	Insurance Services	9,582,350	(1,068,050)

(1) SADAFCO entered into an Agreement with Buruj Cooperative Insurance Co. (offering insurance services) as its offer was the most suitable in terms of the price and benefits without preferential terms. Mr. Ahmed Al Marzouki is the Vice Chairman of Buruj Cooperative Insurance Co. and Board member of SADAFCO. The total value of these transactions for the year from 01-01-2024 to 31-12-2024 had a total value of SAR 9,582,350. (Indirect interest)

Company Name	Country	Nature of Transaction	Value (SAR Mln)	Closing Balance (SAR Mln)
PKC Advisory	India	Consultation Services	1,758,723	-

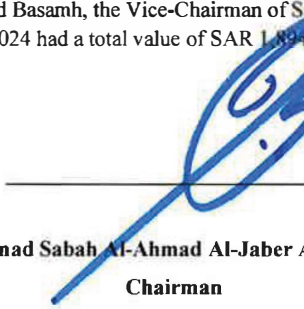
(2) SADAFCO has a Consultancy Agreement with PKC Advisory for various business advisory services, as their offer was the most suitable in terms of price and benefits without preferential terms. Since PKC Advisory is subsidiary of the Kuwait Investment Projects Company (KIPCO) Group, and, Hamad Sabah Al Ahmed, and Mr. Faisal Hamad Al-Ayyar serve as the Chairman and Board member of SADAFCO and as the Chairman and Board member of KIPCO, respectively. Additionally, Sheikh Sabah Mohammed Al-Sabah is a Board member of SADAFCO and a member of KIPCO's executive team. The total value of these transactions for the year from 01-01-2024 to 31-12-2024 had a total value of SAR 1,758,723 (Indirect interest).

Company Name	Country	Nature of Transaction	Value (SAR Mln)	Closing Balance (SAR Mln)
Alternative Energy Project Co.	Kuwait	Solar Project of JCW	125,062	17,866


(3) SADAFCO has an Agreement with Alternative Energy Projects Company (AEPC) on 14th February 2021 to Supply, install, test, Commissioning of and Operation & Maintenance for Solar Rooftop Photovoltaic Energy System at Central Warehouse located in Jeddah, KSA until the full completion of the Project with a total amount SAR 4,620,000 in instalments based on completion, since Alternative Energy Projects Company (AEPC) is subsidiary of Kuwait Investment Projects Company (KIPCO) Group, and, Hamad Sabah Al Ahmed, and Mr. Faisal Hamad Al-Ayyar serve as the Chairman and Board member of SADAFCO and as the Chairman and Board member of KIPCO, respectively. Additionally, Sheikh Sabah Mohammed Al-Sabah is a Board member of SADAFCO and a member of KIPCO's executive team. The total value of these transactions for the year from 01-01-2024 to 31-12-2024 had a total value of SAR 125,062 (Indirect interest).

Company Name	Country	Nature of Transaction	Value (SAR Mln)	Closing Balance (SAR Mln)
Specialized Food Services Co. (SFS)	KSA	Distribution of foodstuff to retail stores, hotels, restaurants and catering customers	1,894,106	(320,602)

(4) SADAFCO entered into an Agreement with Specialized Food Services Co. (SFS) for the distribution of specific SADAFCO products in the Foodservice channel as its offer was the most suitable in terms of the price and benefits without preferential terms. Noting that Mr. Saied Ahmed Saied Basamh, the Vice-Chairman of SADAFCO, has ownership in SFS. The total value of these transactions for the year from 01-01-2024 to 31-12-2024 had a total value of SAR 1,894,106 (Indirect interest).



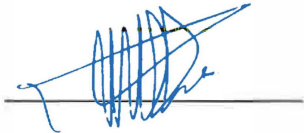
**HH Hamad Sabah Al-Ahmad Al-Jaber Al-Sabah
Chairman**



**Mr. Saied Ahmed Saied Basamh
Vice-Chairman**



**HH Sheikh Sabah Mohammed Al-Sabah
Board Member**



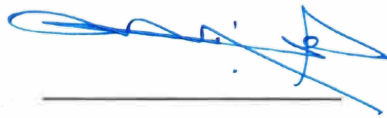
**Mr. Faisal Hamad Mubarak Al-Ayyar
Board Member**



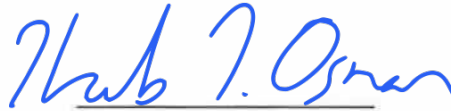
**Mr. Ahmed Mohamed Hamed Al-Marzouki
Board Member**



**Mr. Mussad Abdullah Abdulaziz Al-Nassar
Board Member**



**Mr. Hani Abdulaziz Ahmed Sabb
Board Member**



**Mr. Ihab Ibrahim Mohammed Osman
Board Member**



**Mr. Esam Saleh Ahmed Al-Thukair
Board Member**