



**Raydan Food Company**

شركة ريدان الغذائية

**Report Of The Board Of Directors**

**Raydan Food Company**

**About The Performance And Activities**

**Of The Company**

**For The  
Fiscal Year**

**2023**



[www.raydan.com](http://www.raydan.com)



ريـدان  
RAYDAN



# Contents

01

About Raydan Food  
Company

Page  
Number

04

02

Company Activity  
& Main Modes Of Work

Page  
Number

08

03

Financial & Operating  
Results

Page  
Number

16

04

Board Of Directors &  
Affiliated Committees

Page  
Number

24

05

Executive management

Page  
Number

39

06

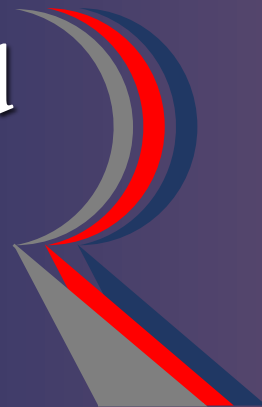
Governance & Internal  
Control

Page  
Number

43

# 01

About Raydan Food  
Company







# 1-1 Chairman's Message

## Omar Rabeah Al Sulami



**Dear Shareholders of "Raydan Food Company",**  
**Greetings,**

The board of Directors of Raydan food company is pleased to present to you the annual report of the board of directors for the fiscal year ended December 31, 2023, which reviews the company and the financial statements during the year 2023.

Despite the fact that the markets are currently going through multiple challenges, high inflation rates, rising costs locally and globally, as well as low purchasing power rates, all of which have reflected on the company's performance, we have completed the expansion plan and compensation that was removed by the decisions of the competent authorities, which are located within the removal areas, in parallel with the company's plan to expand and gain market share in the long term, as it is expected that the impact of this will appear during the next two years.

We would like to point out that the company has applied the new structural identity to a number of existing branches to increase its effectiveness, stressing that the board of directors seeks to improve the company's performance by adhering to the application of updated regulations and regulations from the Ministry of Commerce and the Capital Market Authority and applying regulatory systems and best practices to ensure transparency for all shareholders.

In conclusion, the board of Directors of Raydan food company would like to thank the shareholders of the company for their trust in it, and to all the affiliated committees of the board and the employees of the company for their wonderful efforts.

With Best regards,,,

## 1.2 Establishment

The company started its activity as an individual project owned by Mr. Awadallah Ahmed Ayed Al-Humaimi Al-Sulami, registered in the Commercial Register in Jeddah No. 4030064059 dated 12/07/1409 AH corresponding to 19/02/1989 ad on behalf of Al-Sulami group for real estate development, and has another branch on behalf of Raydan kitchens and restaurants, registered in the Commercial Register in Jeddah No. 4030123324 dated 18/09/1418 AH corresponding to 17/01/1998 In 1995, Raydan food company (company or Raydan) was established in Jeddah as an individual project and in 2008, Raydan company was transformed from an individual enterprise to a closed Saudi Joint Stock Company by decision of the minister of Commerce and Industry No. 149/s dated 29/4/1429 AH corresponding to 5/5/2008 ad by announcing the establishment of the company in accordance with the commercial register no. 4030180055 issued by the city of Jeddah on 11/6/1429 AH corresponding to 15/6/2008 and in February 2017 the company was listed on the parallel market (Nomu) where the company was transferred and listed and began trading its shares on the main Saudi financial market in November 2019, the company's current capital is 158,084,670 (one hundred and fifty-eight million Eighty-Four thousand six hundred and seventy Saudi riyals) divided into 15,808,467 shares with a nominal value of SR 10 per share paid in full.



## About Raydan Food Company

Establishment of  
Raydan food company

1995- 1416







# Vision, mission & objectives

## **Company vision :**

The pioneers of the quality and excellence industry to provide Arabic food in line with the latest international methods .

## **Company message :**

Excellence in all products and services provided with care to meet the wishes of customers.

## **Values :**

Values of leadership, quality, authenticity and trust.

## **Branding :**

Trust, originality, quality, excellence

## **Company objectives :**

Raydan company aims to reach a leading position in the local, regional and global market by specializing in food, party preparation and food catering services in order to meet the wishes of customers and excellence in providing the highest levels of quality, service and hospitality through expansion and spread by granting franchises in all regions of the Kingdom and abroad and maintaining the brand with the good selection of Saudi human cadres and upgrading them in support of Emiratization programs.

# 02

## Company Activity & Main Modes Of Work







## 2.1 the company's main activities

The company's activities, according to its articles of association, include the following :

Restaurants with  
service

Catering &  
Subsistence

## 2.2 working patterns

Raydan operates with a business model that consists of 3 main types: restaurants operated by Raydan directly, Franchise mode and corporate subsistence mode, where Raydan food company currently has 19 branches with direct operation business mode and 9 branches with Franchise mode

# Company Activity & Work Patterns

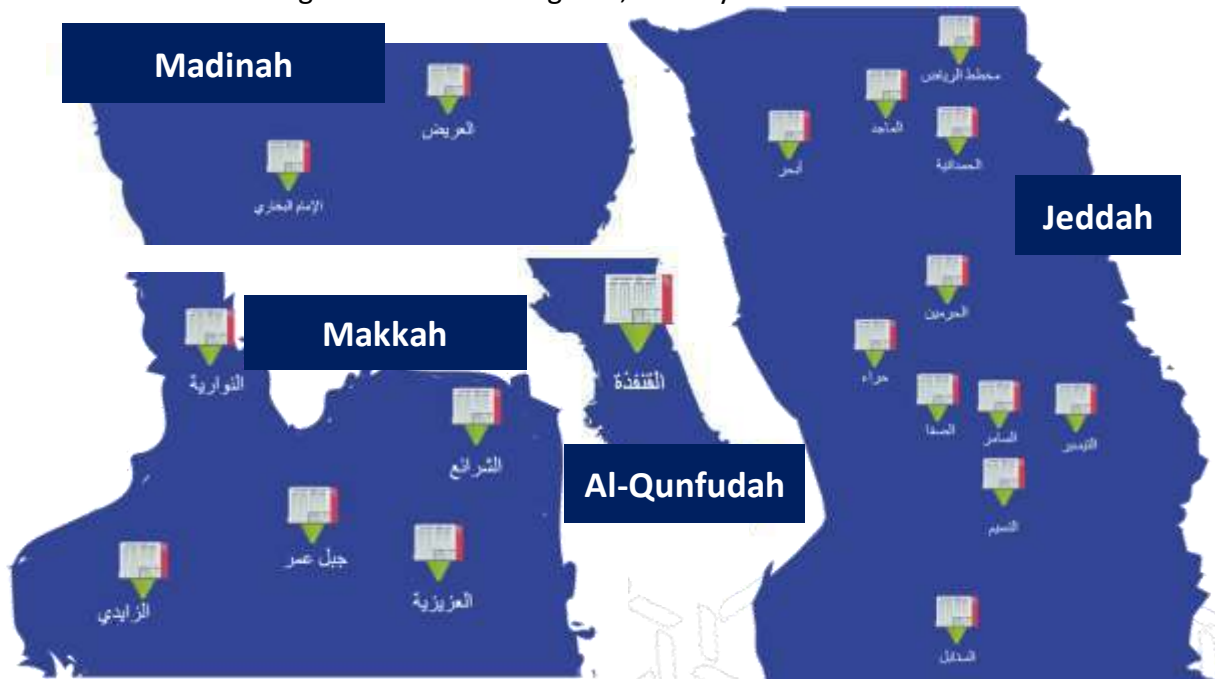


## 3-2 The activity of the branches of the company, its achievements, the activity of Catering & Subsistence

The following is an explanation about the performance of Raydan food company's activity in Saudi Arabia and its achievements and the activity of catering and catering

### 1) Raydan branches and achievements :

Raydan food company works in food services in the kingdom of Saudi Arabia through (19) branches spread in Jeddah, Makkah, Madinah and Al-Qunfudah, in addition to the fact that both the two campuses branch and the Riyadh plan branch in Jeddah have been opened during 2023, and these branches provide a lot of services that serve its visitors in all types of authentic cooking located in the Kingdom, namely :



### 2) Catering & Subsistence

The provision and catering activity to achieve its goals is based on the following points :

- Outdoor concerts.
- Meals for companies, factories, mosques and charities.
- The living of pilgrims at home and pilgrims abroad.
- Contribute to the development of the company's products by introducing new varieties.



## 2.4 subsidiaries and associates

### 1) Raydan Egypt kitchens and restaurants company (subsidiary company):

**Company name:** Raydan Egypt kitchens and restaurants Company (Limited Liability Company).

**Country of incorporation :** Egypt .

**Company Capital :** 50,000 EGP

**Ownership ratio :** 100%

**Main activities:** establishment and operation of fixed restaurants for the sale and delivery of ready meals and real estate investment.

The company's management signed an agreement with Al Raya restaurants Co. Ltd. (a company registered in the Arab Republic of Egypt) on 22 Safar 1443 AH corresponding to September 29, 2021 ad, under which it sold the company's branches in the Arab Republic of Egypt. The second partner in the subsidiary company, Mr. Mansour bin Awadallah bin Ahmed Al-Sulami, decided to relinquish his entire 1% stake in the company's capital in favor of the first partner, Raydan food company - a Saudi Joint Stock Company - which owns 99% of the company's capital, to become the capital fully owned by 100% in favor of Raydan food company - a Saudi Joint Stock Company. an extraordinary general assembly meeting was held on October 25, 2023, to approve the waiver and amend the company's memorandum of association and commercial register to transform the company into a one-person company with limited liability.

**- The assets of the subsidiary company have been sold and its branches have been granted a commercial franchise (franchise) in 2021 as announced.**

### 2) the company's share in the associate company ( Aljonah ) :

**Company name:** Aljonah distinguished company for sweets and parties Limited (Limited Liability Company)

**Country of incorporation:** Kingdom of Saudi Arabia

**Main activities:** holding outdoor parties for others, providing meals, cooked and uncooked catering services.

**The company's share amounted to Ownership percentage :** 30% of the capital of Aljonah company as of December 31, 2023

## 2.5 support for community institutions

As a matter of social responsibility, Raydan food company sought to support some entities, initiatives and social contributions, some of which were represented in:

- Serving the beneficiaries of the association at reduced prices (Nama Charity Association)
- Partnership and cooperation with the Jeddah Education Department (forty-fifth school after the hundred)
- Hosting the closing ceremony festival within the ministerial programs (Massahat lbtekar)



## 2.6 company strategies

The company's process optimization strategy is based on the following points:

- Updating and developing the food menu to keep up with customer requirements.
- Granting commercial franchise branches (franchises) in geographical areas other than the company's branches.
- Work on developing and improving the internal designs of branches by applying the new identity of the company.
- Maintaining the company's brand by promoting the name and brand locally and internationally.
- Continue to improve operational and marketing processes, product quality and community participation.
- Concluding strategic agreements with the company's key suppliers while diversifying the sources of the company's operational needs.
- Attracting qualified Saudi human resources that support the company's strategic plan for growth and expansion.
- Improving growth rates and profitability by applying the company's plan and opening all target branches in accordance with the expansion plan set.
- Maintaining the company's identity and history and continuous operational and marketing development to keep up with customer requirements.

### Raydan's strategy is based on six axes :

|                         |                        |                          |
|-------------------------|------------------------|--------------------------|
| 1) expansion and growth | 2) mental image        | 3) human capital         |
| 4) customer care        | 5) financial resources | 6) operational processes |

## 2.7 future outlook

Based on the above and the changes in consumer behavior witnessed by the kingdom, the company seeks to follow a strategy based on reducing the profit margin sometimes to gain a larger share in the market in light of economic variables and customer requirements and seek competitive prices from suppliers to support this strategy. the expansion service will be limited to opening new areas by signing several franchise contracts (franchises).

The future of the company is in light of our continuous quest to reach the largest possible segment of customers and serve them in New Ways and methods, enabling us to improve the company's performance and achieve the desired growth, in addition to providing the highest levels of customer service.

The company realizes that achieving these goals depends on a strong and qualified team, and therefore continues to invest in human capital and attract qualified human cadres to provide the best value to its customers and investors. Based on these data and plans, under the current and expected market conditions and in light of the challenges surrounding the sector, the company seeks to maintain its market share, develop performance and find alternative solutions to reduce costs.

In its future expansions, Raydan is also focusing on key business models (branch model), as it is expected that these patterns will contribute to a qualitative shift in the medium term, which will contribute to Raydan's transition to a profitability model and improving results.

Government initiatives, such as the Saudi Vision 2030 to develop infrastructure and raise Hajj quotas, are likely to provide opportunities for catering services companies to expand .it is expected that the percentage of the contractual supply range will continue to increase due to the expected increase in the number of pilgrims and Umrah annual in the coming years, which Raydan aims to increase its market share and strengthen its position.



## 2.8 risks faced by the company

Risk management at Raydan is carried out by senior management in accordance with policies approved by the board of directors.

The management identifies and evaluates risks, hedges them through close cooperation between the Departments of Raydan, assesses the likelihood of their occurrence and estimates the effects they may have, and then the necessary measures are taken to reduce, avoid and contain those risks as much as possible to avoid any damage they may cause if they occur..

- **Risk analysis in the company**

The risk analysis process at Raydan food company includes a number of procedures to identify risks, their events and causes, and a number of other elements of analysis, which are placed in the risk register in detail and the risks are evaluated in terms of probability and impact, whether positive or negative..

- **Risk assessment in the company**

The risk assessment process aims to link the risk analysis processes with the identification of weights and priorities of risks to address them, by evaluating them against the risk criteria previously defined in the risk matrix by periodically monitoring various risks in the risk register and providing reports on the adequacy of current procedures to address and reduce risks in the company..



There are many risks associated with Raydan's activities, including:

### 1-economic risk management :

Risks to the economy in general, whether inside or outside the kingdom, which have an impact on spending by individuals and institutions, and what have an impact on suppliers and manufacturers.

### 2-strategic risk management:

Not to take note of economic variables, make wrong strategic decisions, or apply the strategy incorrectly. Raydan company is keen to take note of economic variables by studying the market and the economic situation, and using distinguished expertise to avoid any strategic risks..

### 3-Operational Risk Management :

All the operational errors and shortcomings, the ability to work in a competitive environment, and these risks:

- **Human resource risks:**

The company continuously recruits and trains national cadres, and develops a motivational reward to support the continuity and efficiency of employees while keeping abreast of developments related to the human resources system.

- **Legal risks :**

Risks related to legislative and legal changes in the Kingdom or the countries in which Raydan operates, whether from taxes, labor laws, etc. .

- **Risks of growth opportunities :**

One of the risks that the company may face during its career is the presence of hidden costs or unexpected additional costs or there is difficulty in expanding at the same pace from all sides without problems or facing them in the difficulty of maintaining customers and converting them into regular customers .

- **Technical risks :**

In the event of a technical defect, Raydan continues to develop and support its technical programs and alternative technical solutions..

#### 4-financial instrument risk management :

The company's activities expose it to various financial risks such as credit risks, liquidity risks, market price risks, currency risks and interest rate change risks.

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

| Statement                       | December 31, 2023 | December 31, 2022 |
|---------------------------------|-------------------|-------------------|
| Total liabilities               | 112,204           | 95,964            |
| Less: Cash and cash equivalents | (6,585)           | (27,465)          |
| Net liabilities                 | 105,619           | 68,499            |
| Total shareholders ' equity     | 154,057           | 184,994           |
| Adjusted shareholders ' equity  | 154,057           | 184,994           |
| Net obligations to equity       | 0.68              | 0.37              |

- **Credit risk:**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Company has developed a formal approval process whereby credit limits are applied to its customers, which are based on comprehensive customer ratings and past repayment rates.

The management also continuously monitors the credit exposure related to its customers and makes provision against the expected credit losses. Standing balances of customers are continuously monitored. Cash and cash equivalents are placed with national banks with sound credit ratings. Trade and other receivables are mainly due from local customers. Trade receivables are stated at their estimated realizable values.

The Company's gross maximum exposure to credit risk is as follows:

|                         | Note | December 31, 2023 | December 31, 2022 |
|-------------------------|------|-------------------|-------------------|
| <b>Financial assets</b> |      |                   |                   |
| Trade receivables       | 11   | 8,893,297         | 5,883,593         |
| Bank balances           | 12   | 5,982,440         | 26,253,643        |
|                         |      | <u>14,875,737</u> | <u>32,137,236</u> |
| Secured *               |      | 5,982,440         | 26,253,643        |
| Unsecured               |      | 8,893,297         | 5,883,593         |
|                         |      | <u>14,875,737</u> | <u>32,137,236</u> |

As of December 31, 2023, secured financial assets include bank balances in the amount of 6 million SR (2022: 26 million SR) and trade receivables in the amount of 2,4 million SR (2022: 5,4 million SR)





- Liquidity risks:

#### 29. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

##### 29/4 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available. The concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is the contractual maturities for financial liabilities at the end of the period, which are presented in gross and undiscounted amounts.

|                                     | Undiscounted contractual cash flows |                   |                    |                                |                            | Total contractual cash flows |
|-------------------------------------|-------------------------------------|-------------------|--------------------|--------------------------------|----------------------------|------------------------------|
|                                     | Total Book value                    | 1 year or 3 years | 3 years or so more | Interest accrued in the future | Total contractual maturity |                              |
| <b>2023</b>                         |                                     |                   |                    |                                |                            |                              |
| Financial Liabilities               |                                     |                   |                    |                                |                            |                              |
| Loans                               | 10,195,158                          | –                 | –                  | 219,849                        | 10,415,007                 | 10,195,158                   |
| Trade payables                      | 12,274,664                          | –                 | –                  | –                              | 12,274,664                 | 12,274,664                   |
| Accrued expenses and other payables | 15,282,167                          | –                 | –                  | –                              | 15,282,167                 | 15,282,167                   |
| Lease liabilities                   | 10,361,073                          | 31,175,336        | 20,783,558         | 32,427,756                     | 94,747,723                 | 62,319,967                   |
|                                     | <u>48,113,062</u>                   | <u>31,175,336</u> | <u>20,783,558</u>  | <u>32,647,605</u>              | <u>132,719,561</u>         | <u>100,071,956</u>           |
| <b>2022</b>                         |                                     |                   |                    |                                |                            |                              |
| Financial Liabilities               |                                     |                   |                    |                                |                            |                              |
| Loans                               | 7,000,000                           | 8,756,984         | –                  | 1,658,059                      | 17,415,007                 | 15,756,984                   |
| Trade payables                      | 8,646,384                           | –                 | –                  | –                              | 8,646,384                  | 8,646,384                    |
| Accrued expenses and other payables | 6,043,337                           | –                 | –                  | –                              | 6,043,337                  | 6,043,337                    |
| Lease liabilities                   | 6,197,186                           | 18,591,558        | 24,533,792         | 50,257,981                     | 99,580,517                 | 49,322,536                   |
|                                     | <u>27,886,907</u>                   | <u>27,348,506</u> | <u>24,533,792</u>  | <u>51,916,040</u>              | <u>131,685,245</u>         | <u>79,769,205</u>            |

- It is not expected that the cash flow included in the maturity analysis could occur significantly earlier or significantly different amount

- Market price risk:

Market price risk is the risk that the value of financial instruments fluctuates as a result of changes in market prices, such as foreign exchange rates and interest rates, affecting the company's profit or the value of its financial assets. The goal of market risk management is to manage and keep exposure to market risks within acceptable limits, while optimizing the return..

- Currency risks:

Currency risk is the risk that the value of financial instruments will fluctuate as a result of changes in foreign currency exchange rates. Currency risk arises when future business transactions, recognized assets and liabilities are denominated in a currency different from the functional group currency. The company's exposure to foreign currency risks is primarily limited to transactions in US dollars and Egyptian pounds and the company's management believes that its exposure to currency risks associated with the US dollar is limited because the exchange rate of the riyal is linked to the US dollar and fluctuations in exchange rates against other currencies are monitored continuously.

- Interest rate risks:

Interest rate risk is the exposure associated with the impact of fluctuations in prevailing interest rates on the consolidated financial position of the company and its cash flows.



# 03

## Financial & Operating Results



# Financial & Operating Results

## 3.1 Consolidated Statement of income (profit and loss) for the financial year ended 31 December 2023

|   | Note | 2023                | 2022                |
|---|------|---------------------|---------------------|
| Revenue   | 21   | 177,373,734         | 159,177,603         |
| Cost of revenue   | 22   | (167,718,282)       | (152,694,949)       |
| <b>Gross profit</b>   |      | <b>9,655,452</b>    | <b>6,482,654</b>    |
| Selling and marketing expenses  | 23   | (8,914,966)         | (3,270,975)         |
| General and Administrative expenses                                     | 24   | (18,075,483)        | (17,638,335)        |
| Reversal of impairment loss on right of use assets                      | 7    | 9,356,932           | 1,377,965           |
| Other receivable impairment provision                                   | 11   | (1,084,911)         | --                  |
| Impairment in Investment through equity method                          | 8    | (15,687,536)        | --                  |
| Expropriation compensation losses                                       |      | (102,079)           | --                  |
| Gain/ Loss on disposal of property, plant and equipment                 | 5    | 7,438               | (2,422,834)         |
| Profit from disposal of right of use assets                             | 7    | --                  | 175,544             |
| Other income and expenses   | 25   | 1,347,711           | 1,052,660           |
| <b>Operation loss</b>   |      | <b>(23,497,442)</b> | <b>(14,243,321)</b> |
| Share from investment in associate company Through equity method        | 8    | (1,993,045)         | (5,213,062)         |
| Finance Costs   | 26   | (5,022,000)         | (3,975,311)         |
| Currency valuation differences  |      | (107,313)           | (258,218)           |
| <b>Loss before zakat and income tax</b>                                 |      | <b>(30,619,800)</b> | <b>(23,689,912)</b> |
| Zakat and Income Tax  | 20   | (269,366)           | (931,627)           |
| <b>NET LOSS AFTER ZAKAT AND INCOME TAX</b>                              |      | <b>(30,889,166)</b> | <b>(24,621,539)</b> |
| <b>Other comprehensive income (OCI):</b>                                |      |                     |                     |
| <b>OCI that may be reclassified to profit or loss subsequently:</b>     |      |                     |                     |
| Exchange differences on translation of foreign operations               |      | (68,722)            | (88,907)            |
| <b>OCI that will not be reclassified to profit or loss subsequently</b> |      |                     |                     |
| Remeasurement of defined benefits liability                             | 17   | 145,833             | 831,544             |
| Share of other comprehensive income from associate                      | 8    | (123,947)           | 951,237             |
| <b>Other comprehensive loss/ Income</b>                                 |      | <b>(46,836)</b>     | <b>1,693,874</b>    |
| <b>Total comprehensive loss</b>   |      | <b>(30,936,002)</b> | <b>(22,927,665)</b> |
| <b>Attributable to:</b>   |      |                     |                     |
| - The Parent Company's shareholders                                     |      | (30,889,166)        | (24,621,384)        |
| - Non-controlling interests   |      | --                  | (155)               |
|   |      | (30,889,166)        | (24,621,539)        |
| <b>Attributable to:</b>   |      |                     |                     |
| - The Parent Company's shareholders                                     |      | (30,936,002)        | (22,927,510)        |
| - Non-controlling interests   |      | --                  | (155)               |
|   |      | (30,936,002)        | (22,927,665)        |
| <b>Basic and diluted losses per share:</b>                              |      |                     |                     |
| Basic   | 15   | (1.95)              | (0.83)              |
| Diluted   | 15   | (1.95)              | (0.73)              |

## 3.2 Consolidated Statement of financial position for the financial year ended 31 December 2023

|   | Note | 31 December 2023   | 31 December 2022   |
|---|------|--------------------|--------------------|
| <b>Assets</b>   |      |                    |                    |
| <b>Non-current assets</b>                                     |      |                    |                    |
| Property, plant and equipment, net                            | 5    | 131,679,951        | 131,278,056        |
| Intangible assets, net  | 6    | 34,799             | 127,569            |
| Right-of-use assets, net                                      | 7    | 55,926,319         | 33,331,211         |
| Investments in associate company through equity method        | 8    | 39,558,988         | 57,363,516         |
| <b>Total non-current assets</b>                               |      | <b>227,200,057</b> | <b>222,100,352</b> |
| <b>Current assets</b>   |      |                    |                    |
| Inventory   | 9    | 5,844,348          | 4,314,848          |
| Trade receivables, net  | 10   | 8,893,297          | 5,883,593          |
| Due from related party  | 27   | 2,947,258          | 5,820,105          |
| Prepayments and other receivables, net                        | 11   | 14,791,875         | 15,374,401         |
| Cash and cash equivalents                                     | 12   | 6,585,363          | 27,465,154         |
| <b>Total current Assets</b>                                   |      | <b>39,062,141</b>  | <b>58,858,101</b>  |
| <b>Total Assets</b>   |      | <b>266,262,198</b> | <b>280,958,453</b> |
| <b>Shareholders' equity and liabilities</b>                   |      |                    |                    |
| <b>Shareholders' Equity</b>                                   |      |                    |                    |
| Share capital   | 13   | 158,084,670        | 158,084,670        |
| Statutory reserve   | 14   | --                 | 27,413,798         |
| (Accumulated losses)  |      | (4,377,410)        | (927,380)          |
| Foreign currency translation reserve                          |      | 350,685            | 419,407            |
| <b>Total equity attributable to shareholders of the Group</b> |      | <b>154,057,945</b> | <b>184,990,495</b> |
| Non-controlling interests                                     |      | --                 | 3,452              |
| <b>Total equity</b>   |      | <b>154,057,945</b> | <b>184,993,947</b> |
| <b>Liabilities</b>  |      |                    |                    |
| <b>Non-current liabilities</b>                                |      |                    |                    |
| Lease liabilities - non-current portion                       | 7    | 51,958,894         | 43,125,350         |
| Long term loans - non-current portion                         | 16   | --                 | 8,756,948          |
| End of service benefits                                       | 17   | 10,956,265         | 12,360,015         |
| <b>Total non-current liabilities</b>                          |      | <b>62,915,159</b>  | <b>64,242,313</b>  |
| <b>Current liabilities</b>                                    |      |                    |                    |
| Lease liabilities - current portion                           | 7    | 10,361,073         | 6,197,186          |
| Long term loans - current portion                             | 16   | 10,195,158         | 7,000,000          |
| Trade payables  |      | 12,274,664         | 8,646,384          |
| Due to related party  | 27   | --                 | 2,591,151          |
| Accrued expenses and other payables                           | 18   | 15,282,167         | 6,043,337          |
| Provision for potential claims                                | 19   | 159,905            | 312,508            |
| Accrued zakat   | 20   | 1,016,127          | 931,627            |
| <b>Total Current liabilities</b>                              |      | <b>49,289,094</b>  | <b>31,722,193</b>  |
| <b>Total Liabilities</b>                                      |      | <b>112,204,253</b> | <b>95,964,506</b>  |
| <b>Total Shareholders' Equity and Liabilities</b>             |      | <b>266,262,198</b> | <b>280,958,453</b> |

# Financial & Operating Results

## 3.3 summary of financial statements 2023-2022

| 2022        | 2023        | item   |
|-------------|-------------|--|
| 280,958.453 | 266,262.198 | Total Assets   |
| 95,964.506  | 112,204.253 | Total Liabilities                                      |
| 184,990.495 | 154,057.945 | Total equity attributable to shareholders of the group |
| 3.452       | -           | Non-controlling interests                              |
| 184,993.947 | 154,057.945 | Total equity   |

## 3.4 summary of cash flow statement 2023 - 2022

| 2022     | 2023     | item   |
|----------|----------|--|
| (24,651) | 5,082    | Net cash flow Generated from\ (used in) operating Accivities |
| (11,249) | (11,412) | Net cash used in investing activities                        |
| (12,824) | (14,550) | Net cash flow used in financing activities                   |
| 76,188   | 27,465   | Cash and cash equivalents at the beginning of the year       |
| 27,465   | 6,585    | Cash and cash equivalents at the year ending                 |

## 3.5 summary of income statement 2023 - 2022

| 2022     | 2023     | item                                |
|----------|----------|-------------------------------------|
| 159,178  | 177,374  | Revenue                             |
| (23,690) | (30,620) | Loss before zakat and income tax    |
| (932)    | (269)    | Zakat and Income Tax                |
| (24,622) | (30,889) | NET LOSS AFTER ZAKAT AND INCOME TAX |
| (22,928) | (30,936) | Total comprehensive loss            |



# Financial & Operating Results

## 3.6 list of equity for the fiscal year ended December 31, 2023

|  | Equity attributable to the shareholders of the parent Company |                   |                      |                                      |  |                           |                    |
|--|---|-------------------|----------------------|--------------------------------------|--|---------------------------|--------------------|
|  | Share capital   | Statutory reserve | (Accumulated losses) | Foreign currency translation Reserve | Total equity attributable to shareholders of the Group | Non-controlling interests | Total equity       |
| <b>For the year ended 31 December 2022</b> |   |                   |                      |                                      |  |                           |                    |
| Balance as at 1 January 2022               | 337,500,000   | 27,413,798        | (157,504,107)        | 508,314                              | 207,918,005  | 2,312                     | 207,920,317        |
| Adjustments to non-controlling interests   | --  | --                | --                   | --                                   | --   | 1,295                     | 1,295              |
| Loss for the year                          | --  | --                | (24,621,384)         | --                                   | (24,621,384)   | (155)                     | (24,621,539)       |
| Other comprehensive income                 | --  | --                | 1,782,781            | (88,907)                             | 1,693,874  | -                         | 1,693,874          |
| Total comprehensive losses for the year    | --  | --                | (22,838,603)         | (88,907)                             | (22,927,510)   | (155)                     | (22,927,665)       |
| Decrease in share capital                  | (179,415,330)   | --                | 179,415,330          | --                                   | --   | --                        | --                 |
| As At 31 December 2022                     | <u>158,084,670</u>  | <u>27,413,798</u> | <u>(927,380)</u>     | <u>419,407</u>                       | <u>184,990,495</u>                                     | <u>3,452</u>              | <u>184,993,947</u> |
| <b>For the year ended 31 December 2023</b> |   |                   |                      |                                      |  |                           |                    |
| Balance as at 1 January 2023               | 158,084,670   | 27,413,798        | (927,380)            | 419,407                              | 184,990,495  | 3,452                     | 184,993,947        |
| Loss for the year                          | --  | --                | (30,889,166)         | --                                   | (30,889,166)   | --                        | (30,889,166)       |
| Other comprehensive income                 | --  | --                | 21,886               | (68,722)                             | (46,836)   | --                        | (46,836)           |
| Total comprehensive losses for the year    | --  | --                | (30,867,280)         | (68,722)                             | (30,936,002)   | --                        | (30,936,002)       |
| amortized the statutory reserve            | --  | (27,413,798)      | 27,413,798           | --                                   | --   | --                        | --                 |
| Acquisition of non-controlling interests   | --  | --                | 3,452                | --                                   | 3,452  | (3,452)                   | --                 |
| At 31 December 2023                        | <u>158,084,670</u>  | <u>--</u>         | <u>(4,377,410)</u>   | <u>350,685</u>                       | <u>154,057,945</u>                                     | <u>--</u>                 | <u>154,057,945</u> |

\* Based on the decision of the extraordinary general assembly held on 10 October, 2023, the company's statutory reserve balance, amounting to 27,413,798 SR, as in the financial statements for the year ending 31 December, 2022, was transferred to a retained earnings / (accumulated losses) account- (Note:14)

### 3.7 2023 – 2022 income statement and comparison

| item   | 2023           | 2022           | diff          | %              |
|--|----------------|----------------|---------------|----------------|
| Revenue  | 177,374        | 159,178        | 18,196        | 11.43%         |
| Cost of Revenue  | -167,718       | -152,695       | 15,023        | 9.84%          |
| <b>Gross profit</b>  | <b>9,655</b>   | <b>6,483</b>   | <b>3,173</b>  | <b>48.94%</b>  |
| Selling and marketing expenses                                   | -8,915         | -3,271         | 5,644         | 172.55%        |
| General and administrative expenses                              | -18,075        | -17,638        | 437           | 2.48%          |
| Reversal of impairment loss on right of use assets               | 9,357          | 1,378          | 7,979         | 579.04%        |
| Other receivable impairment Provision                            | -1,085         | 0              | -1,085        | 0.00%          |
| impairment in Investment through equity method                   | -15,688        | 0              | -15,688       | 0.00%          |
| Expropriation compensation losses                                | -102           | 0              | -102          | 0.00%          |
| Gain / Loss on disposal of property , plant and equipment        | 7              | -2,423         | -2,430        | -100.31%       |
| Profit from disposal of right of use assets                      | 0              | 176            | -176          | -100.00%       |
| Other income and Expenses  | 1,348          | 1,053          | 295           | 28.03%         |
| <b>Operation loss</b>  | <b>-23,497</b> | <b>-14,243</b> | <b>9,254</b>  | <b>64.97%</b>  |
| Share from Investment in associate company through equity method | -1,993         | -5,213         | -3,220        | -61.77%        |
| Finance costs  | -5,022         | -3,975         | 1,047         | 26.33%         |
| currency valuation differences                                   | -107           | -258           | -151          | -58.44%        |
| <b>Loss before zakat and income tax</b>                          | <b>-30,620</b> | <b>-23,690</b> | <b>6,930</b>  | <b>29.25%</b>  |
| zakat and income tax   | -269           | -932           | -662          | -71.09%        |
| <b>net loss after zakat and income tax</b>                       | <b>-30,889</b> | <b>-24,622</b> | <b>6,268</b>  | <b>25.46%</b>  |
| <b>total comprehensive loss</b>                                  | <b>-30,936</b> | <b>-22,928</b> | <b>8,008</b>  | <b>34.93%</b>  |
| <b>losses per share</b>  | <b>(1.95)</b>  | <b>(0.83)</b>  | <b>(1.12)</b> | <b>134.94%</b> |

### 3.8 explanation of accumulated losses :

- Accumulated losses by the end of the current period amounted to SR4,377,410 at a rate of 2.77% of the capital.

### 3.9 explanation of any material differences in operating results:

- The company's statutory reserve balance of SR 27,413,798 was transferred as per the financial statements for the year ended December 31, 2022 to the retained earnings account. According to the Extraordinary General Assembly meeting on October 10, 2023, corresponding to the 25th of the first spring 1445 Ah.
- - The provision for a decrease in investment in an associate company was recorded at a value of SR 15,687,536, according to the assessment of the decrease in investment in the associate company.
- - The provision for a decrease in investment in an associate company was recorded at a value of SR 15,687,536, according to the assessment of the decrease in investment in the associate company.
- - Provision for a decrease in other receivables was recorded in the amount of SR 1,084,911.
- - Expropriation compensation losses were recorded in the amount of SR 102,079.

### 3.10 reclassification :

- Some comparative figures have been reclassified in the Consolidated Preliminary comprehensive profit or loss and income statement for the period ended December 31, 2022 in the financial statements for the period ended December 31, 2023. It has no impact on operating profit or loss and has no impact on net profit / loss compared to previously announced.
- The assets available for sale in the amount of SR 8,328,290 were reclassified among advance payments and other receivables in the statement of comparative financial position as at December 31, 2022 has no impact on the total current assets.

Some comparative figures have been reclassified to conform to the presentation of the current year.

|                                     | December 31,<br>2022 before<br>reclassification | Reclassification<br>impact | December 31,<br>2022 after<br>reclassification |
|-------------------------------------|---|----------------------------|--|
| Balance Sheet                       |   |                            |  |
| Assets held for sale                | 8,328,290                                       | (8,328,290)                | —  |
| Prepayments and other debt balances | 7,046,111                                       | 8,328,290                  | 15,374,401                                     |

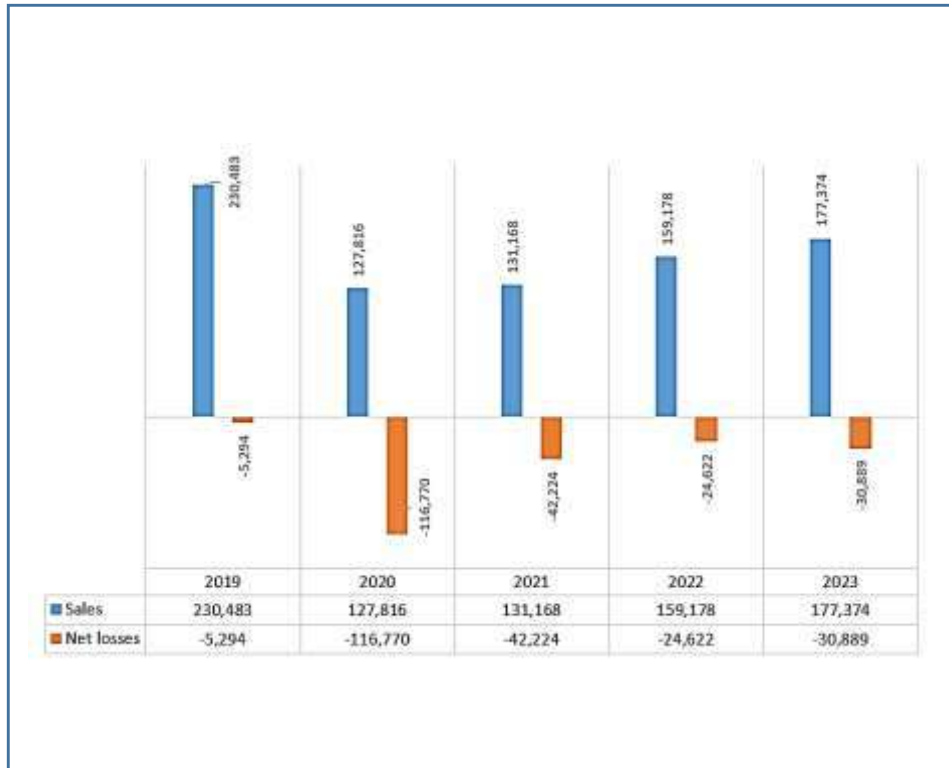
- Some comparative figures have been reclassified in the Consolidated Statement of cash flows for the period ended December 31, 2022 as compared to the financial statements for the period ended December 31, 2023. It has an impact on net cash generated from (used in) operating activities and net cash used in financing activities of the same value, up and down.



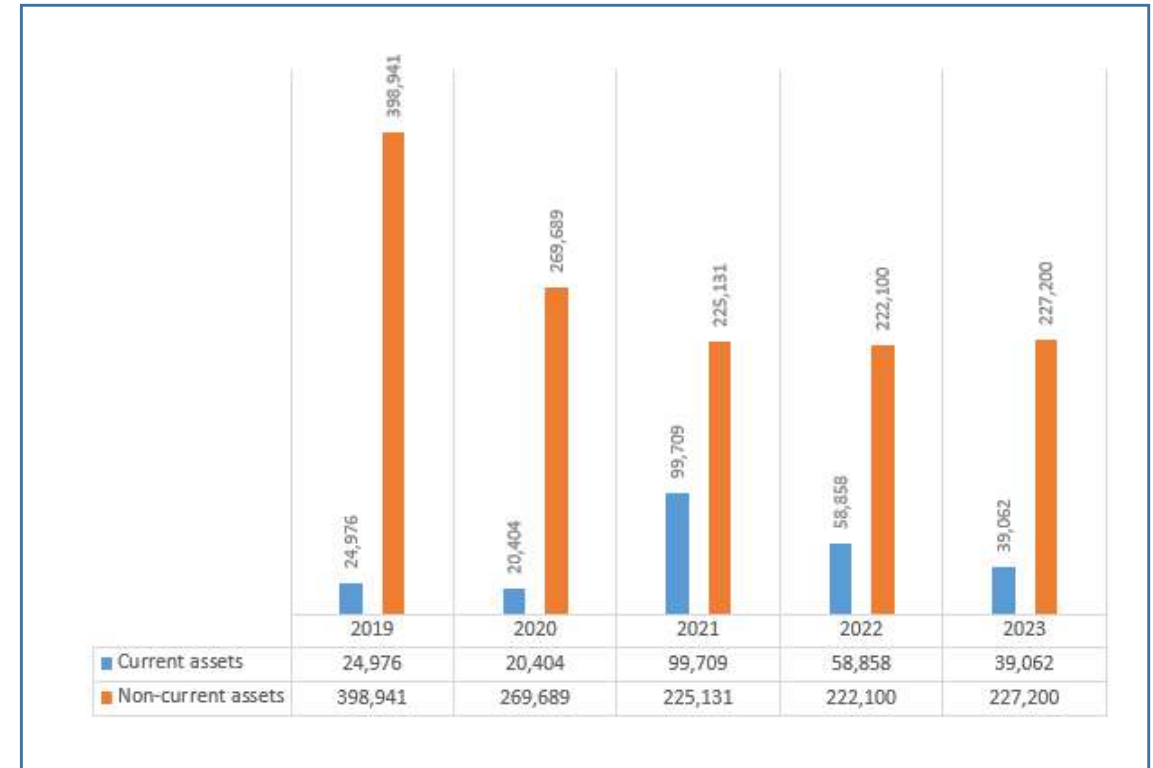
# Financial & Operating Results

## 3.11 summary of the company's assets and liabilities and business results for the previous five years

Sales and net profit / loss (in thousand riyals)



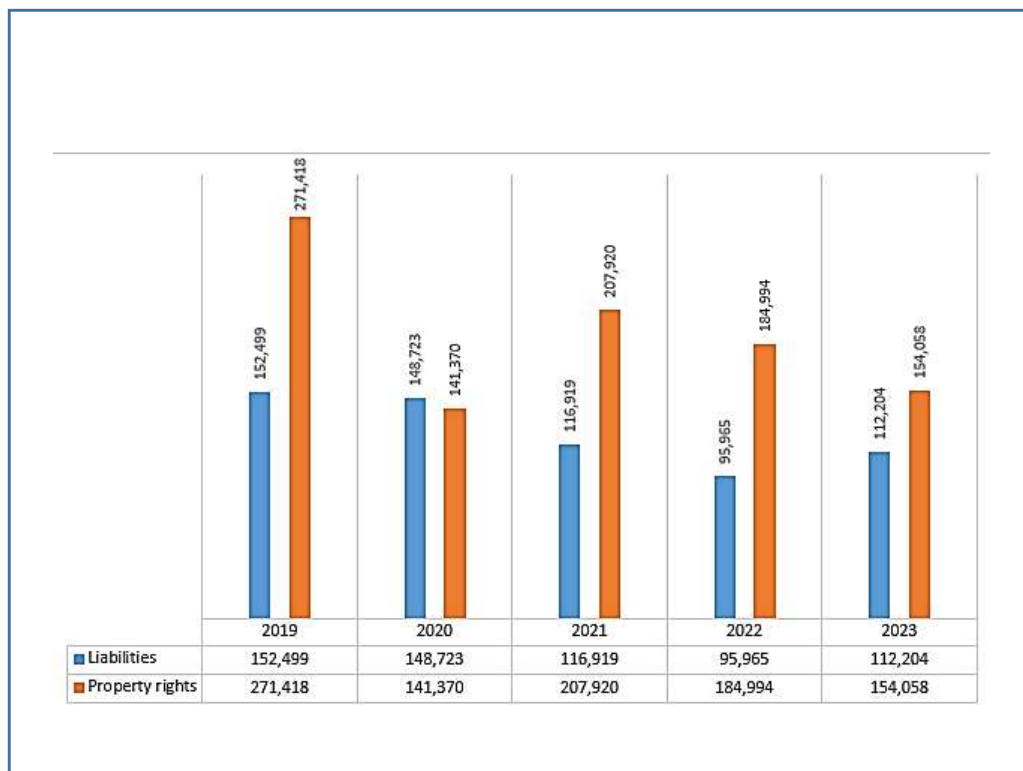
Current and non-current assets (in thousand riyals)



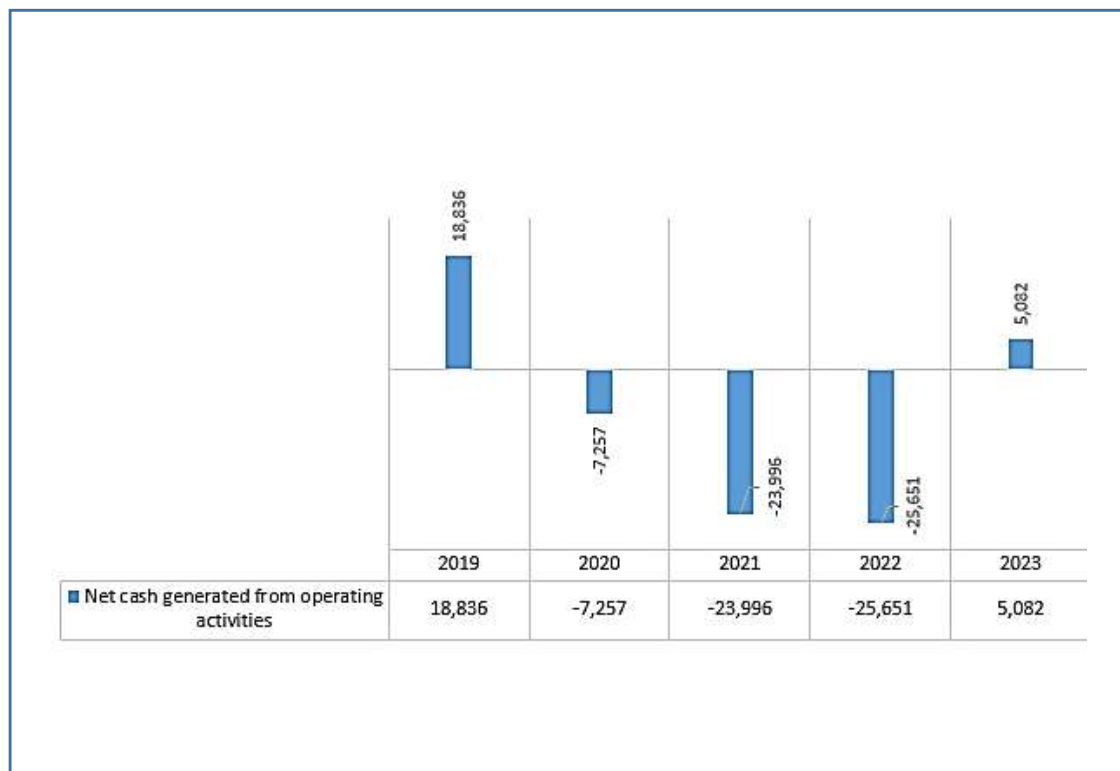
# Financial & Operating Results

## 3.11 summary of the company's assets and liabilities and business results for the previous five years

Liabilities and property rights (in thousand riyals)



Cash generated from operating activities (in thousand riyals)





# Financial & Operating Results

## 3.12 Geographical analysis of the company's total revenue

### 2023

|                    |
|--------------------|
| Revenue            |
| Cost of revenue    |
| Net loss           |
| Sector assets      |
| Sector liabilities |

| Sector reports    |                   |                |               |
|-------------------|-------------------|----------------|---------------|
| Traditional meals | Catering Services | Other segments | Total         |
| 146,174,675       | 27,772,535        | 3,426,524      | 177,373,734   |
| (177,182,403)     | (20,829,401)      | (1,370,186)    | (167,718,282) |
| (31,007,728)      | 6,943,134         | 2,056,339      | (30,889,166)  |
| 211,376,232       | 7,897,493         | 47,291,601     | 266,262,198   |
| 107,762,743       | 4,441,510         | --             | 112,204,253   |

### 2022

|                    |
|--------------------|
| Revenue            |
| Cost of revenue    |
| Net loss           |
| Sector assets      |
| Sector liabilities |

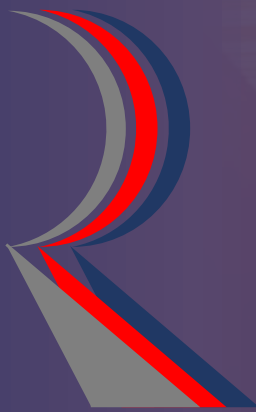
| Sector reports    |                   |                |               |
|-------------------|-------------------|----------------|---------------|
| Traditional meals | Catering Services | Other segments | Total         |
| 148,956,869       | 7,481,997         | 2,738,737      | 159,177,603   |
| (172,974,582)     | (5,611,498)       | (5,213,062)    | (183,799,142) |
| (24,017,713)      | 1,870,499         | (2,474,325)    | (24,621,539)  |
| 217,862,542       | 5,732,395         | 57,363,516     | 280,958,453   |
| 93,350,023        | 2,614,483         | --             | 95,964,506    |

| Geographical area | ₺2023   | ₺2022   |
|-------------------|---------|---------|
|                   | Sales   | Sales   |
| Western region    | 173,947 | 154,550 |
| Central region    | 0       | 0       |
| Eastern region    | 0       | 397     |
| Egypt             | 0       | 0       |
| Other             | 3,426   | 4,230   |
| Total             | 177,373 | 159,177 |

| Geographical area            | ₺2023  | ₺2022  |
|------------------------------|--------|--------|
| Loss per share from net loss | (1.95) | (0.83) |

# 04

## Board Of Directors & Affiliated Committees





## 4.1 Board of directors and affiliate committees :

### 1-composition of the board of directors and classification of its members

| Name                           | Position                       | Capacity      |
|--------------------------------|--------------------------------|---------------|
| Mr. Omar Rabeh Al Sulami       | Directors of Board of Chairman | Non-Executive |
| Mr. Nair Bayan Al Sulami       | Board the of Chairman Deputy   | Non-Executive |
| Mr. Mansour Nasser Al Sulami   | Board Member & CEO             | Executive     |
| Mr. Sultan Mohammed Al Howymel | Board Member                   | Independent   |
| Mr. Faisal Saad Al Subaie      | Board Member                   | Independent   |

### 2-Affiliated committees

#### • Audit committee

| Name                          | Position                  | Capacity                              |
|-------------------------------|---------------------------|---------------------------------------|
| Mr. Mazen Khalaf Al Zayer     | Chairman of the Committee | Independent from outside the board    |
| Mrs.Noha Abdulghani Sulaimani | Committee member          | Independent from outside the board    |
| Mr. Basem Tayseer Hijaz       | Committee member          | Independent from outside the board    |
| Mr. Faisal Saad Al Subaie     | Committee member          | Independent of the board of directors |

#### • Nomination and Remuneration Committee

| Name                           | Position                  | Capacity      |
|--------------------------------|---------------------------|---------------|
| Mr. Sultan Mohammed Al Howymel | Chairman of the Committee | Independent   |
| Mr. Omar Rabeh Al Sulami       | Committee member          | Non-Executive |
| Mr. Faisal Saad Al Subaie      | Committee member          | Independent   |

#### • Executive committee

| Name                         | Position                  | Capacity      |
|------------------------------|---------------------------|---------------|
| Mr. Nair Bayan Al Sulami     | Chairman of the Committee | Non-Executive |
| Mr. Omar Rabeh Al Sulami     | Committee member          | Non-Executive |
| Mr. Mansour Nasser Al Sulami | Committee member          | Executive     |

#### • Governance, risk and compliance committee

| Name                         | Position                  | Capacity      |
|------------------------------|---------------------------|---------------|
| Mr. Faisal Saad Al Subaie    | Chairman of the Committee | Independent   |
| Mr. Nair Bayan Al Sulami     | Committee member          | Non-Executive |
| Mr. Mansour Nasser Al Sulami | Committee member          | Executive     |

## 4.2 curriculum vitae of the members of the board of directors :



**Mr. Omar Rabe Al Sulami**  
Directors of Board of Chairman

### Jobs, Experience And Qualifications

Partner and founder of Service Management Company Limited, He previously served as CEO of Saudi Hardware Company Limited ,He holds a master's degree in Business Administration (MBA) from Al-Faisal University and information systems from the Arab Academy of Sciences, and a bachelor's degree in Marketing Business Administration from King Abdulaziz University .he has more than 15 years of experience in managing companies, institutions and board members. he is a founding businessman and partner in several companies, institutions and consulting offices working in the fields of retail, urban development, construction, contracting, manufacturing, ready-made clothing, food, electrical appliances, administrative and financial consulting, gas stations.



**Mr. Nair Bayan Al Sulami**  
Board the of Chairman Deputy

### Jobs, Experience And Qualifications

CEO of Gulf cranes company for financial leasing-licensed by the Central Bank of Saudi Arabia one of the companies of the Kano group, he previously served as chairman of the board of Directors of the modern insurance and reinsurance brokerage company licensed by the Central Bank of Saudi he has a bachelor's degree in Business Administration from SMC University in Switzerland, experience for more than 23 years during which he held leadership positions and board memberships in many leading companies in the financial, commercial and service sectors



## 4.2 curriculum vitae of the members of the board of directors :



**Mr. Mansour Nasser Al Sulami**  
Managing Director & C.E.O.

### Jobs, Experience And Qualifications

He is currently the managing director and CEO of Raydan food company, Previously, he worked as the general manager of Operation, Control and follow-up at Raydan food company, He holds a master's degree in Business Administration from the University of business and technology, and a bachelor of science-marketing from Jeddah Business College University. he has more than 9 years of experience in implementing control and follow-up strategies. he also held the position of general manager of operations and operations for Raydan company and general manager of control and follow-up.



**Mr. Sultan Mohd. Al Howymel**  
Board Member

### Jobs, Experience And Qualifications

He is currently the general manager of experts finance and CEO of the world Center for Islamic economics, Previously worked as Project Manager of Al Rajhi Bank, He holds a master's degree in finance and investment from the University of Essex, UK, and has more than 10 years of experience in strategic planning, project development and management.

## 4.2 curriculum vitae of the members of the board of directors :



الأستاذ / فيصل سعد السبيعي  
عضو مجلس الإدارة

### Jobs, Experience And Qualifications

He currently works as the director of the Legal Services Department at the Social Development Bank in Riyadh and previously worked as a legal consultant with the authority for spending efficiency and government projects .he holds a master's degree in law from the University of California, Davis and has more than 11 years of experience in the legal departments of a number of government agencies and the private sector.

## 4.3 curriculum vitae of the members of the audit committee :



الأستاذ / مازن خلف الزاير  
رئيس لجنة المراجعة

### Jobs, Experience And Qualifications

He currently works as the head of the Internal Audit Department at Central Jeddah development company and previously worked as a member of the board of directors at solutions supply company he has an associate degree in Accounting from Jubal Industrial university experience for more than 16 years of experience in auditing and Risk Management in companies such as Jeddah Chamber of Commerce, Dallah al Baraka, Samba Financial Group and Petromin

## 4.3 curriculum vitae of the members of the audit committee :



الأستاذة / نهى عبدالغني سليمان  
عضو لجنة المراجعة

### Jobs, Experience And Qualifications

Currently, she is the director of compliance, compliance and anti-money laundering and terrorist financing department at Safana Dahlan law firm, She previously worked as the director of compliance, anti-money laundering and counter-terrorism financing department at Al Amoudi exchange, She holds a master's degree in finance and investment from the University of Leeds in England, and a bachelor's degree in Accounting from King Abdulaziz University. she has more than 14 years of experience in the financial sector and financial markets, and has extensive experience in the CMA regulations, banking sector regulations, risk management, treasury and finance.



الأستاذ / باسم تيسير حجاز  
عضو لجنة المراجعة

### Jobs, Experience And Qualifications

He currently works as the secretary of the board of Directors, Audit Committee and governance committee of Bin Dawood holding-a public Joint Stock Company and previously worked as the chairman of the audit committee of Saudi cable company-a public Joint Stock Company, holds a master's degree in Business Administration from London Business School in Britain, and a bachelor of Accounting from the University of Jordan he has more than 17 years of experience in auditing, risk and compliance in companies such as Bin Dawood holding, NADEC, extra and Jordan electricity company.

**Member of the Audit Committee, Mr. Faisal Saad al-Subaie, whose biography is included in the biography of the board members**



## 4.4 biography of the members of the nomination and Remuneration Committee :

- **Biographies of the members of the nomination and Remuneration Committee:**

| Name                           | Position                  | Biographies of Gentlemen Members were mentioned earlier (biographies of board members). |
|--------------------------------|---------------------------|---|
| Mr. Sultan Mohammed Al Howymel | Chairman of the Committee |   |
| Mr. Omar Rabeh Al Sulami       | Committee member          |   |
| Mr. Faisal Saad Al Subaie      | Committee member          |   |

## 4.5 curriculum vitae of executive committee members:

- **Biographies of executive committee members :**

| Name                         | Position                  | Biographies of Gentlemen Members were mentioned earlier (biographies of board members). |
|------------------------------|---------------------------|---|
| Mr. Nair Bayan Al Sulami     | Chairman of the Committee |   |
| Mr. Omar Rabeh Al Sulami     | Committee member          |   |
| Mr. Mansour Nasser Al Sulami | Committee member          |   |

## 4.6 curriculum vitae of the members of the governance, risk and compliance committee:

- **Biographies of the members of the governance, risk and compliance committee:**

| Name                         | Position                  | Biographies of Gentlemen Members were mentioned earlier (biographies of board members). |
|------------------------------|---------------------------|---|
| Mr. Faisal Saad Al Subaie    | Chairman of the Committee |   |
| Mr. Nair Bayan Al Sulami     | Committee member          |   |
| Mr. Mansour Nasser Al Sulami | Committee member          |   |

CV.

## 4.7 board memberships in current or former companies inside or outside the kingdom

| Member name                    | Names of companies whose board member is a member of their current boards of directors or one of their directors | Inside the kingdom/Outside the kingdom | Legal entity          | Names of companies whose board member is a member of their previous boards of directors or one of their directors | Inside the kingdom/Outside the kingdom | Legal entity            |
|--------------------------------|--|--|-----------------------|---|--|-------------------------|
| Mr. Omar Rabeh Al Sulami       | Charity Charity Palgrave   | Inside the kingdom                     | Charity Association   | Jeddah Chamber  | Inside the kingdom                     | Non-profit organization |
|                                | Service Management Company Limited   | Inside the kingdom                     | Limited liability     | x   | x                                      | x                       |
|                                | Enma Arab textile company Egypt  | Outside the kingdom                    | Limited liability     | x   | x                                      | x                       |
| Mr. Nair Bayan Al Sulami       | Member of the board of Directors of Genovec consulting Dubai   | Outside the kingdom                    | Limited liability     | Yanal finance company   | Inside the kingdom                     | Locked contribution     |
|                                | CEO of Gulf cranes leasing company   | Inside the kingdom                     | Locked contribution   | Modern insurance brokerage company & reinsurance  | Inside the kingdom                     | Limited liability       |
|                                | Member of the executive committee Gulf Lifting Financial Leasing Company   | Inside the kingdom                     | Locked contribution   | Gulf Finance Company  | Inside the kingdom                     | Locked contribution     |
|                                | Owner of Rawnaq International Group  | Inside the kingdom                     | Individual enterprise | x   | x                                      | x                       |
| Mr. Mansour Nasser Al Sulami   | x  | x                                      | x                     | x   | x                                      | x                       |
| Mr. Sultan Mohammed Al Howymel | x  | x                                      | x                     | x   | x                                      | x                       |
| Mr. Faisal Saad Al Subaie      | x  | x                                      | x                     | x   | x                                      | x                       |

## 4-8 meetings of the board of directors and affiliated committees :

### First : Board of directors meetings

| Member Name                    | Number of meetings (4) during 2023 |                      |                    |                     | Total | Attendance Rate |
|--------------------------------|------------------------------------|----------------------|--------------------|---------------------|-------|-----------------|
|                                | The first<br>29 Mar                | The second<br>22 May | The third<br>9 Aug | The fourth<br>8 Nov |       |                 |
| Mr. Omar Rabeh Al Sulami       | ✓                                  | ✓                    | ✓                  | ✓                   | 4     | %100            |
| Mr. Nair Bayan Al Sulami       | ✓                                  | ✓                    | ✓                  | ✓                   | 4     | %100            |
| Mr. Mansour Nasser Al Sulami   | ✓                                  | ✓                    | ✓                  | ✓                   | 4     | %100            |
| Mr. Sultan Mohammed Al Howymel | ✓                                  | ✓                    | ✓                  | ✓                   | 4     | %100            |
| Mr. Faisal Saad Al Subaie      | ✓                                  | ✓                    | ✓                  | ✓                   | 4     | %100            |

### ➤ The actions taken by the board of directors to inform its members of the proposals or observations of its shareholders about the company and its performance

- The Governance Regulation stipulates that the General Assembly meetings must be attended by the chairmen of the committees emanating from the board or their representatives from the members of the committees to answer shareholders' queries and see directly the proposals and observations about the company and its performance, if any proposal or any remark is received during the deliberations and discussions, it is included in the minutes of the Assembly meetings, where these minutes are viewed by all members of the board of directors.
- As a link between the company, shareholders and external stakeholders, outside the company's General Assembly, there are contact data with the company's investor relations in both Tadawul and the company's website, in addition to the adoption by the board of directors to the investor relations mechanism to apply best practices, where communication is available with both current shareholders and potential investors, stakeholders and investor relations in the company to coordinate with the executive management and the board of directors, and through this communication, the opinions, inquiries, complaints, suggestions and notes of the parties mentioned are received to be shared with the executive management and members of the board of directors, and the board of Directors is briefed during its meetings Periodically review everything that is new on the investor relations file.

### Second: meetings of the affiliated committees.

The subordinate committees of the board of directors play an important role in effectively strengthening the functions of the board of directors and contributing to the control and supervision of the company's activities. These committees contribute to achieving integrity and independence in the performance of work and notifying the board of what they do or reach their results and decisions.

### 1-Audit committee

The audit committee was formed where the committee takes over the study of the topics related to it or referred to it by the board of directors, and its recommendations are submitted to the board to take a decision on them, or to take decisions if authorized by the board, and the committee informs the board of Directors of its findings results, decisions or recommendations.

The committee is also responsible for monitoring the company's business and verifying the integrity and integrity of reports, financial statements and internal control systems, and the committee's tasks include, in particular, the following:

### ➤ Financial reports:

- Studying the preliminary and annual financial statements of the company before presenting them to the board of directors and expressing its opinion and recommendation on them; to ensure their integrity, fairness and transparency.
- Provide technical opinion-based on the request of the board of directors – on whether the report of the board of directors and the financial statements of the company is fair, balanced and understandable and includes information that allows shareholders and investors to assess the financial position of the company, its performance, business model and strategy.
- Study any important or unusual issues included in the financial reports.
- Thoroughly investigate any issues raised by the company's financial director, whoever assumes his duties, the company's compliance officer, or the auditor.
- Verification of accounting estimates on material issues contained in financial reports.
- Studying the accounting policies followed in the company and expressing an opinion and recommendation to the board of directors on them.



## ➤ Internal audit

- Studying and reviewing the company's internal control, financial and risk management systems.
- Study the internal audit reports and follow up the implementation of corrective actions for the notes contained therein.
- Control and supervision of the performance and activities of internal audit and internal audit management in the company, to verify the availability of the necessary resources and their effectiveness in the performance of the work and tasks assigned to them.
- Recommend to the board of directors the appointment of a unit manager, Internal Audit Department or internal auditor and propose his remuneration.

## ➤ Auditor of accounts

- Recommending to the board of directors the nomination and dismissal of auditors, determining their fees and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of contract with them.
- Verify the independence, objectivity and fairness of the auditor, and the effectiveness of the audit work, taking into account the relevant rules and standards.
- Reviewing the company's audit plan and its works, verifying that it has not submitted technical or administrative works that are outside the scope of the audit work, and showing its views on this.
- Answering the corporate auditor's inquiries.
- Verify that the auditor is able to perform his work and that information is not withheld from him.
- Studying the auditor's reports and observations on the financial statements and following up on what has been taken thereon.

## ➤ Guarantee of compliance

- Review the results of the reports of the regulatory authorities and verify that the company has taken the necessary actions on them.
- Verifying the company's compliance with the relevant laws, regulations, policies and instructions.
- Review the contracts and transactions proposed to be conducted by the company with the relevant parties, and submit their views thereon to the board of directors.
- Submit the issues it deems necessary to take action on them to the board of directors, and make recommendations on the actions that need to be taken.

## ➤ Audit committee meetings

| Member Name                   | Number of meetings (6) during 2023 |                      |                     |                     |                    |                    | Total | Attendance Rate |
|-------------------------------|------------------------------------|----------------------|---------------------|---------------------|--------------------|--------------------|-------|-----------------|
|                               | The first<br>6 Feb                 | The second<br>29 Mar | The third<br>22 May | The fourth<br>9 Aug | The fifth<br>8 Nov | The sixth<br>4 Dec |       |                 |
| Mr. Mazen Khalaf Al Zayer     | ✓                                  | ✓                    | ✓                   | ✓                   | ✓                  | ✓                  | 6     | %100            |
| Mrs.Noha Abdulghani Sulaimani | ✓                                  | ✓                    | ✓                   | ✓                   | ✓                  | ✓                  | 6     | %100            |
| Mr. Basem Tayseer Hijaz       | ✓                                  | ✓                    | ✓                   | ✓                   | ✓                  | ✓                  | 6     | %100            |
| Mr. Faisal Saad Al Subaie     |                                    |                      |                     | ✓                   | ✓                  | ✓                  | 3     | %50             |

- The formation of the committee, determining its tasks, work controls and remuneration of its members was approved at the Extraordinary General Assembly meeting of the company (the first meeting), which was held by technical means on Wednesday 19/09/1443H corresponding to 20/04/2022 G. And for a period of three years, ending on 20/04/2025.
- The appointment of Mr. Faisal Saad al-Sada Al-Subaie as an independent member of the audit committee has been approved as of 20/06/2023 for a period of three years ending on 20/04/2025. This was after it was approved to increase the seats of the members of the audit committee to bring the number of members of the committee to 4 members .

## 2-Nominations and Remuneration Committee :

- The committee shall undertake the study of the topics it is concerned with or referred to by the board of directors, and submit its recommendations to the board for decision on them, or take decisions if authorized by the board, and the committee shall inform the board of Directors of its findings, decisions or recommendations.

## ➤ With regard to remuneration, the committee is concerned with the following:

- Clarify the relationship between the bonuses awarded and the applicable bonus Policy, and indicate any material deviation.
- Periodically review the remuneration policy and assess its effectiveness in achieving the objectives envisaged by it.
- Recommending to the board of directors the remuneration of the members of the board of directors, its committees and senior executives of the company in accordance with the approved policy.

## ➤ Nomination and Remuneration Committee Meetings

| Member Name                    | Number of meetings (3) during 2023 |            |           | Total | Attendance Rate |
|--------------------------------|------------------------------------|------------|-----------|-------|-----------------|
|                                | The first                          | The second | The third |       |                 |
|                                | 28 Mar                             | 25 Jun     | 5 Oct     |       |                 |
| Mr. Sultan Mohammed Al Howymel | ✓                                  | ✓          | ✓         | 3     | %100            |
| Mr. Omar Rabeih Al Sulami      | ✓                                  | ✓          | ✓         | 3     | %100            |
| Mr. Faisal Saad Al Subaie      | ✓                                  | ✓          | ✓         | 3     | %100            |

- The formation of the committee was approved at the Extraordinary General Assembly meeting of the company (the first meeting), which was held by modern technical means on Wednesday 19/09/1443 H corresponding to 20/04/2022 G. And for a period of three years, ending on 20/04/2025

### 3-Executive committee:

The executive committee was formed in accordance with the corporate governance regulation issued by the Capital Market Authority and its tasks and responsibilities are summarized as follows :

Drawing strategies, policies and general objectives of the company in coordination with the board of directors and studying and proposing the economic objectives of projects, investments and general policies of the company.

Follow-up of the company's managers on the estimated budgets to achieve its goals.

Setting a future vision to develop and increase the company's profits through market trends in order to achieve a better return for shareholders.

Review and approve the recommendations of the CEO.

## ➤ With regard to nominations, the committee is competent to::

- Propose clear policies and criteria for membership in the board of directors and executive management.
- Recommending to the board of directors the nomination and re-nomination of its members in accordance with the approved policies and standards.
- Prepare a description of the required abilities and qualifications for board membership and filling executive management positions.
- Determine the time that the member has to allocate for the work of the board of directors.
- Annual review of the necessary skills or experience requirements suitable for board membership and executive management functions.
- Review the structure of the board of directors and the executive management and make recommendations on changes that can be made.
- Annual verification of the independence of independent members, and the absence of any conflict of interest if the member is a member of the board of Directors of another company.
- Develop job descriptions for executive members, non-executive members, independent members and senior executives.
- Establish special procedures in the event of a vacancy in the position of one of the board members or senior executives.
- Evaluate the performance of the board of directors, its committees and the executive management annually, and submit its results to the board of directors with the recommendation of a plan to address the aspects that need to be developed.
- Identify the weaknesses and strengths of the board of directors and propose solutions to address them consistent with the interest of The means relied upon by the board of directors in evaluating its performance and the performance of its committees and members.
- A third party was commissioned to evaluate the performance, and the evaluation was recorded to the board.

## ➤ Executive committee meetings

| Member Name                  | Number of meetings (7) during 2023 |                      |                     |                      |                    |                     |                       | Total | Attendance Rate |
|------------------------------|------------------------------------|----------------------|---------------------|----------------------|--------------------|---------------------|-----------------------|-------|-----------------|
|                              | The first<br>5 Jan                 | The second<br>10 May | The third<br>31 May | The fourth<br>14 Jun | The fifth<br>9 Aug | The sixth<br>19 Nov | The seventh<br>26 Dec |       |                 |
| Mr. Nair Bayan Al Sulami     | ✓                                  | ✓                    | ✓                   | ✓                    | ✓                  | ✓                   | ✓                     | 7     | %100            |
| Mr. Omar RabeH Al Sulami     | ✓                                  | ✓                    | ✓                   | ✓                    | ✓                  | ✓                   | ✓                     | 7     | %100            |
| Mr. Mansour Nasser Al Sulami | ✓                                  | ✓                    | ✓                   | ✓                    | ✓                  | ✓                   | ✓                     | 7     | %100            |

- The formation of the committee was approved at the Extraordinary General Assembly meeting of the company (the first meeting), which was held by modern technical means on Wednesday 19/09/1443 H corresponding to 20/04/2022 G. And for a period of three years, ending on 20/04/2025.

## 4-Governance, Risk and compliance committee:

- Work on attending committee meetings.
- Ensuring integrity in the implementation of the affairs of the committee and its meetings.
- Obtaining sufficient skills and the necessary training to participate in the implementation of the affairs of the committee.
- Participate in the decisions of the commission and vote on them.
- Provide the chairman of the committee with full support in preparing the agendas of meetings and confirming the minutes of meetings.
- Inform other committee members of any changes in regulations and practices that affect the roles and responsibilities of the committee.
- The chairman of the committee or his deputy may attend the general assemblies to answer shareholders ' questions.

## ➤ Governance, risk and compliance committee meetings:

| Member Name                  | Number of meetings (3) during 2023 |                     |                     | Total | Attendance Rate |
|------------------------------|------------------------------------|---------------------|---------------------|-------|-----------------|
|                              | The first<br>13 Apr                | The second<br>2 Aug | The third<br>12 Nov |       |                 |
| Mr. Faisal Saad Al Subaie    | ✓                                  | ✓                   | ✓                   | 3     | %100            |
| Mr. Nair Bayan Al Sulami     | ✓                                  | ✓                   | ✓                   | 3     | %100            |
| Mr. Mansour Nasser Al Sulami | ✓                                  | ✓                   | ✓                   | 3     | %100            |

- The formation of the committee was approved at the Extraordinary General Assembly meeting of the company (the first meeting), which was held by modern technical means on Wednesday 19/09/1443 H corresponding to 20/04/2022 G. And for a period of three years, ending on 20/04/2025..





➤ **The attendance schedule of the board of directors for the meetings of the association**

**General assemblies**

| Member Name                    | Number of associations (2) during 2023                          |   |
|--------------------------------|---|---|
|                                | Attendance record of the Extraordinary General Assembly meeting | Attendance record of the Extraordinary General Assembly meeting |
|                                | ٢٠٢٣/٠٦/٢٠  | ٢٠٢٣/١٠/١٠  |
| Mr. Omar Rabeh Al Sulami       | ✓   | ✓   |
| Mr. Nair Bayan Al Sulami       | ✓   | ✓   |
| Mr. Mansour Nasser Al Sulami   | ✓   | ✓   |
| Mr. Sultan Mohammed Al Howymel | ✓   | ✓   |
| Mr. Faisal Saad Al Subaie      | ✓   | ✓   |



**4-9 remuneration of members of the board of directors, its committees and executive management.**

The company has prepared the "remuneration policy for the members of the board of Directors of Raydan food company, its committees emanating from it and the executive management, approved by the General Assembly of the company, taking into account the bonuses granted to the members of the board of directors and senior executives in conformity with the approved policy, as the company confirms that there is no deviation in essence, the remuneration policy takes into account the following :

- Consistent with the company's strategy and objectives 'In line with the size, nature and degree of risk of the company, And to provide bonuses for the purpose of motivating the members of the board of directors and executive management for the long-term development and development of the company, Bonuses are determined based on the level of the job, the tasks and responsibilities assigned to the incumbent, scientific qualifications, work experience, skills, and performance level, taking into account the practices of other companies in determining bonuses, while avoiding the resulting unjustified rise in bonuses and compensation, and aimed at attracting, maintaining and motivating professional competencies, while not exaggerating them.
- To disclose accurately, transparently and in detail in the report of the board of directors the bonuses granted to the members of the board of Directors, Committees and executive management directly or indirectly without concealment or misinformation, whether amounts, benefits or advantages, whatever their nature and name.
- In determining the bonuses granted to the members of the board of Directors, Committees and executive management, the company is obliged to comply with the applicable and approved remuneration policy so that there is no material deviation in determining those bonuses from the terms and conditions for the annual bonus entitlement set out in that policy.

**4.10 the following is a statement containing the remuneration for the members of the board of directors and members of the committees of the company during the year 2023 (value in thousand riyals) as follows:**

**1) remuneration of board members**

| 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 |
| <b>First: Independent Members:</b>    |                  |  |   |                    |  |  |       |                       |                |                            |                           |                |                        |             |                   |       |
| Mr. Faisal Saad Al Subaie             | 250              | 40   | 54  | -                  | -  | -  | 344   | -                     | -              | -                          | -                         | -              | -                      | -           | 344               | -     |
| Mr. Sultan Mohammed Al Howymel        | 250              | 40   | 15  | -                  | -  | -  | 305   | -                     | -              | -                          | -                         | -              | -                      | -           | 305               | -     |
| Total                                 | 500              | 80   | 69  | -                  | -  | -  | 649   | -                     | -              | -                          | -                         | -              | -                      | -           | 649               | -     |
| <b>Second: Non-Executive Members:</b> |                  |  |   |                    |  |  |       |                       |                |                            |                           |                |                        |             |                   |       |
| Mr. Omar Rabeh Al Sulami              | 450              | 40   | 50  | -                  | -  | -  | 540   | -                     | -              | -                          | -                         | -              | -                      | -           | 540               | -     |
| Mr. Nair Bayan Al Sulami              | 350              | 40   | 50  | -                  | -  | -  | 440   | -                     | -              | -                          | -                         | -              | -                      | -           | 440               | -     |
| Total                                 | 800              | 80   | 100   | -                  | -  | -  | 980   | -                     | -              | -                          | -                         | -              | -                      | -           | 980               | -     |
| <b>Third: Executive Members:</b>      |                  |  |   |                    |  |  |       |                       |                |                            |                           |                |                        |             |                   |       |
| Mr. Mansour Nasser Al Sulami          | 250              | 40   | 50  | -                  | -  | -  | 340   | -                     | -              | -                          | -                         | -              | -                      | -           | 340               | -     |
| Total                                 | 250              | 40   | 50  | -                  | -  | -  | 340   | -                     | -              | -                          | -                         | -              | -                      | -           | 340               | -     |

- The schedule includes the attendance allowance for the meetings of the subordinate committees, which are detailed in the committees' remuneration tables.
- The amount of (1,97,945 ) SAR. remuneration of the members of the current board of directors was disbursed for the fiscal year ended December 31, 2022 based on the General Assembly meeting 10-10-2023 .
- An amount of ( 746,959 ) SAR was paid to the members of the committees of the current board of directors for the financial year ended December 31, 2022. Based on the General Assembly meeting 10-10-2023
- The amount of (69,863 ) SAR remuneration of the board of directors and committees for the year 2022 is due according to the approved policy .

## 2) remuneration of members of affiliated committees (value in thousand riyals) :

### • Remuneration of members of the Audit Committee during 2023

| Name                          | Fixed bonuses | Attendance allowance | Total      |
|-------------------------------|---------------|----------------------|------------|
| Mr. Mazen Khalaf Al Zayer     | 100           | 48                   | 148        |
| Mrs.Noha Abdulghani Sulaimani | 60            | 48                   | 108        |
| Mr. Basem Tayseer Hijaz       | 60            | 48                   | 108        |
| Mr. Faisal Saad Al Subaie     | 32            | 24                   | 56         |
| <b>Total</b>                  | <b>252</b>    | <b>168</b>           | <b>420</b> |

### • Remuneration of members of the nomination and Remuneration Committee during 2023

| Name                           | Fixed bonuses | Attendance allowance | Total      |
|--------------------------------|---------------|----------------------|------------|
| Mr. Sultan Mohammed Al Howymel | 65            | 15                   | 80         |
| Mr. Omar Rabeh Al Sulami       | 60            | 15                   | 75         |
| Mr. Faisal Saad Al Subaie      | 60            | 15                   | 75         |
| <b>Total</b>                   | <b>185</b>    | <b>45</b>            | <b>230</b> |

### • Executive committee members ' bonuses during 2023

| Name                         | Fixed bonuses | Attendance allowance | Total      |
|------------------------------|---------------|----------------------|------------|
| Mr. Nair Bayan Al Sulami     | 100           | 35                   | 135        |
| Mr. Omar Rabeh Al Sulami     | 60            | 35                   | 95         |
| Mr. Mansour Nasser Al Sulami | 60            | 35                   | 95         |
| <b>Total</b>                 | <b>220</b>    | <b>105</b>           | <b>325</b> |

### • Remuneration of members of the governance, risk and Compliance Committee during 2023

| Name                         | Fixed bonuses | Attendance allowance | Total      |
|------------------------------|---------------|----------------------|------------|
| Mr. Faisal Saad Al Subaie    | 65            | 15                   | 80         |
| Mr. Nair Bayan Al Sulami     | 60            | 15                   | 75         |
| Mr. Mansour Nasser Al Sulami | 60            | 15                   | 75         |
| <b>Total</b>                 | <b>185</b>    | <b>45</b>            | <b>230</b> |





# Executive Management

## 5.1 Members of the company's executive management

**First: His Excellency the managing director and CEO, Mr. Mansour Nasser Al-Sulami, (the biography was mentioned in the biographies of the board members)**

**Second : Chief Financial Officer  
Mr. Jamal Nasser Abdulkarim**

### Jobs, Experience And Qualifications

He currently works as the executive CFO at Raydan food company and previously worked as the head of accounts at Raydan food company. he holds a bachelor of Commerce in accounting department. At Assiut University, he also worked as the head of accounts of Al-Rosha confectionery company. He has worked in an audit office in the Arab Republic of Egypt for two years and has more than 22 years of experience in this field .

**Third / Internal Audit Manager  
Mr. Hosni Abdul Warith Al-Sayed**

### Jobs, Experience And Qualifications

He is currently the internal audit manager at Raydan food company, Previously, he worked as the director of financial and administrative affairs at Raydan food company, He holds a bachelor's degree in the accounting department-Cairo University in 1980 and currently has more than 30 years of experience in financial management, generating material cost savings for clients, renegotiating and rationalizing the calculation base of obtaining capital through private equity and bank financing providing valuable information by means of an integrated financial forecasting model, acting as an important sliding path and a proactive tool in assessing risks, threats and opportunities, financial analysis and in control participated in all aspects of the acquisition process he built portfolio tracking systems for a subsidiary of a major financial services provider.

## Executive Management

Fourth: Human Resources Manager  
**Mr. Ahmed Talal Morsi**

### Jobs, Experience And Qualifications

He is currently working as human resources manager at Raydan food company, He previously worked as HR Operations Manager at Waad Holding Group, He holds a bachelor's degree in Business Administration – organization and management of human resources at King Abdulaziz University and has more than 9 years of experience in recruitment, development, management of Administrative Affairs, Government Relations, Human Resources Services and Human Resources Operations .

Fifth : Operating Manager  
**Mr. Hazem Metwally Fouda**

### Jobs, Experience And Qualifications

He is currently the COO of Raydan food company, He previously worked as the director of operations in the western region at Olayan food services company, He holds a bachelor's degree in education at Tanta University and has more than 24 years of experience in strategic planning, Thinking Skills, Data Analysis and problem solving in operations management



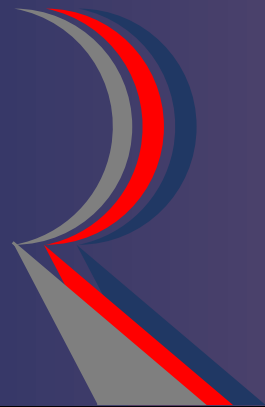
## 5.2 senior executive bonuses during 2023

| خمسة من كبار التنفيذيين         | Rewards Fixed |       |             |       | Rewards Changing |         |                            |                           |                |       | End-of-Service Benefit | Total executive remuneration for the board | Grand Total |
|---------------------------------|---------------|-------|-------------|-------|------------------|---------|----------------------------|---------------------------|----------------|-------|------------------------|--|-------------|
|                                 | رواتب         | بدلات | مزايا عينية | Total | Rewards Patrol   | Profits | Short-term incentive plans | Long-term incentive plans | Shares granted | Total |                        |  |             |
| Mr. Mansour Nasser Al-Sulami    | 751           | 263   | -           | 1014  | -                | -       | -                          | -                         | -              | -     | 84                     | 290,000                                    | 1388        |
| Mr. Jamal Nasser Abdulkarim     | 311           | 109   | -           | 420   | -                | -       | -                          | -                         | -              | -     | 35                     | -  | 455         |
| Mr. Hosni Abdul Warith Al-Sayed | 222           | 78    | -           | 300   | -                | -       | -                          | -                         | -              | -     | 25                     | -  | 325         |
| Mr. Ahmed Talal Morsi           | 187           | 65    | -           | 252   | -                | -       | -                          | -                         | -              | -     | 21                     | -  | 273         |
| Mr. Hazem Metwally Fouda        | 122           | 43    | -           | 165   | -                | -       | -                          | -                         | -              | -     | 16                     | -  | 181         |
| Total                           | 1738          | 608   | -           | 2347  | -                | -       | -                          | -                         | -              | -     | 205                    | 290  | 2623        |

- The statement included the remuneration of Mr. Mansour Nasser Al-Salami as a member of the board of directors amounting to SAR 290,000, which is indicated in advance in the table of remuneration of board members.
- Any allowances received by the employee (housing allowance – transportation – travel -...Etc.) were classified under the allowances item and not the salaries item.
- All salaries and bonuses were charged to the expenses of the year 2023.
- In this regard, the company's management emphasizes the following: -
  - There are no arrangements or agreement under which a member of the board of directors or a senior executive has waived any salary, compensation or remuneration.
  - There are no arrangements or agreement under which one of the company's shareholders has waived any rights to dividends.
  - There are no other investments or reserves created for the benefit of the company.

# 06

## Governance and internal control



# Governance and internal control

## 6.1 what provisions of the corporate governance regulation have been applied, what has not been applied and the reasons for this.

Raydan food company has issued its corporate governance rules and the company is constantly reviewing and updating these policies in accordance with the relevant regulations and regulations; namely:

- Rules of work of the audit committee
- The work list of the remuneration and Nominations Committee
- Rules of work of the executive committee
- Rules of work of the governance and Risk Committee
- Board membership policies, standards and procedures
- Remuneration policy for members of the board of directors, its committees and executive management
- Guide to the regulation of financial powers and powers .
- Corporate governance guide
- Dividend policy
- Board of directors working procedures policy
- Conflict of interest handling policy
- Competition Controls and standards policy.
- The company's policies and regulations have also been reviewed annually.

## 6.2 the means adopted by the board of directors in evaluating its performance and the performance of the committees.

On multiple mediums. This includes the use of specific criteria and various assessment techniques. Performance is assessed based on criteria such as financial and managerial achievements, commitment to tasks, and active participation in board and committee meetings. transparency and integrity are an essential part of corporate governance and contribute to achieving trust among investors, companies, and third parties.

## 6.3 the company applies all the provisions of the corporate governance regulation issued by the capital market

| Reasons for non-application  | Text of the article / paragraph   | Article / paragraph number |
|--|---|----------------------------|
| The article is indicative, and it is mandatory to work on it from 1/1/2024, and work is underway to develop the necessary training programs for the fiscal year 2024 | The company should pay sufficient attention to the training and qualification of the members of the board of Directors, members of the committees and the executive management, and develop the necessary programs for this.  | 37                         |
| Guidance material the company has incentive programs   | Motivating employees<br>The company develops programs to develop and stimulate the participation and performance of employees in the company, including-in particular - the following:<br>1- Forming committees or holding specialized workshops to listen to the opinions of the company's employees and discuss issues and topics related to important decisions.<br>2- Programs to grant employees shares in the company or a share of the profits achieved by retirement programs, and the establishment of an independent fund to spend on those programs.<br>3-Creation of social institutions for employees of the company.  | 82                         |
| Guidance material the company is carrying out some initiatives; work is underway on the policy   | Social action initiatives<br>The board of directors establishes programs and determines the necessary means to launch the company's initiatives in the field of social work, including the following:<br>1- Develop measurement indicators that link the company's performance with the initiatives it provides in social work, and compare it with other companies with similar activity.<br>2- Disclosure of the social responsibility goals adopted by the company to its employees, awareness and education of them.<br>3- Disclosure of plans to achieve social responsibility in periodic reports related to the company's activities.<br>4-Developing community awareness programs to introduce the company's social responsibility. | 85                         |



## **6.4 details of any penalty, sanction, precautionary measure or reserve restriction imposed on the company.**

There is no penalty, penalty or reserve restriction imposed on Raydan by the Capital Market Authority or any supervisory, regulatory or judicial authority, except as mentioned in this report

## **6-5 assurances of the company's management and the effectiveness of the company's internal control procedures, and the opinion of the audit committee:.**

### **1. The results reached by the board of directors through its annual review of the effectiveness of internal control procedures in the company:**

The existence of an effective internal control system is one of the main responsibilities assigned to the board of directors. the primary task of the audit committee is to verify the adequacy of the internal control system and its effective implementation, and to make any recommendations to the board of directors that would develop the system to achieve the company's purposes and protect the interests of shareholders and investors with high efficiency and reasonable cost. the audit committee has the right without any restrictions to access all information, data, reports, records, correspondence, or other matters that the committee deems important to see, and the board of Directors shall take all measures to ensure the committee to carry out its tasks.

The internal control system aims to ensure the achievement of the company's objectives effectively and efficiently, and the most important elements that are available in the company to support the internal control system are the presence of policies approved by the board of directors, tables of financial and administrative powers, a management structure that clarifies the administrative sequence and facilitates communication, a system of accounting and rewards for results according to performance indicators and approved budgets, a manual of business ethics and conduct, a delegation of authority, qualified human resources, a system for maintaining records and company assets, a separation of tasks, and a program for compliance with regulations and laws

### **2. The opinion reached by the Audit Committee on the adequacy of the internal control system in the company :**

Nothing has been brought to her attention that causes her to believe that there are material deficiencies that require disclosure regarding the integrity of the financial and accounting systems and related to the preparation of financial reports. Based on the committee's meetings with the external auditor, the internal auditor and the executive management and the reports and clarifications received, the committee considers that the current internal control system is operating with acceptable effectiveness, with the need to improve some aspects of the effectiveness of the internal control system for the past financial year. Note that any internal control system, no matter how correctly designed and effectively applied, cannot provide absolute confirmation.

### **3. Recommendation of the Audit Committee on the need to appoint an internal auditor in the company:**

The audit committee did not recommend the appointment of an internal auditor because the company has an internal audit department, and the committee has found that there are no material deficiencies of relative importance that require disclosure, which may affect the safety, effectiveness, efficiency of financial and operational systems, and the necessary procedures have been put in place to improve the effectiveness of the observations contained in the reports from the internal and external audit department, which provide reasonable grounds to ensure the effectiveness of internal control in accordance with a time frame, which will be followed up with the concerned departments on a regular basis .

### **4. Recommendations of the audit committee that conflict with the decisions of the board of directors, or that the board refused to take on the appointment and dismissal of the company's auditor, determine his fees, evaluate his performance, or appoint an internal auditor**

There are no recommendations of the audit committee that there is a conflict between them and the decisions of the board of directors or that the board refused to take on the appointment of the auditor of the company, dismiss him, limit his fees, evaluate his performance or appoint internal auditors

## 6-6 general associations of shareholders.

Two assemblies were held during 2023 as follows:

- 1 . Extraordinary General Assembly dated: 20/06/2023
- 2 . Extraordinary General Assembly dated: 2023/10/10 ad

## 6.7 an explanation of any difference from the accounting standards approved by the Saudi Organization of Certified Public Accountants.

There is no difference from the accounting standards issued by the Saudi authority for chartered accountants regarding the audit and evaluation of the company's financial statements during 2023

## 6.8 selection of the auditor of the company.

Ibrahim Ahmed Al-Bassam & Partners Legal accountants (Al-Bassam & partners) was selected as the company's auditor at the Annual General Assembly by the shareholders at the General Assembly meeting held on Tuesday 02/12/1444 AH corresponding to 20/06/2023 ad

**It is worth noting that there are some items that do not apply to Raydan and include the following:**

Raydan has not provided any cash loan of any kind to any of its board members, nor has it guaranteed any loan that one of its board members has contracted with others. Raydan does not have any transferable debt instruments, contractual securities, warrants of subscription or similar rights issued or granted by Raydan . There are no transfer or subscription rights under transferable debt instruments, contractual securities, subscription right notes or similar rights issued or granted by Raydan Raydan has no refund, purchase or cancellation of any refundable debt instruments The board of directors did not recommend changing the auditor before the expiration of the period for which he was appointed. There are no treasury shares held by the company

- There are no reservations to the annual financial statements .
- Raydan does not have any privileged shares or shares that enjoy special priority in voting, whether for shareholders or members of the board of directors, and that all Raydan shares are ordinary shares of equal nominal value and equal voting rights and other rights according to the law.
- Raydan is subject to zakat in accordance with the regulations of the General Authority for Zakat and income in the kingdom of Saudi Arabia, and it records the amount of Zakat earned annually and uploads it to the Income list, and the amendments that occur upon the final linking of Zakat – if any – are recorded during the period in which the linking is made
- During the year 2023, the external auditor of the company did not provide any consulting services to the company and did not receive any fees in this regard.

Also, during the year 2023, the board of directors briefed its members, especially the non-executive members, on all the inquiries and proposals received from shareholders, and the board was briefed to study them and take an opinion on each of them separately, to approve what fits with the Raydan policy, as long as it does not contradict the regulations and the relevant regulations.



## 6.9 the company's dividend policy

The company's annual net profits after deducting all general expenses and other costs, including Zakat imposed by law in accordance with Article (45) of the company's bylaws shall be distributed as follows:

1-the General Assembly shall determine the percentage to be distributed to the shareholders of the net profits after deducting the reserves, if any.

2-the shareholder shall be entitled to his share in the profits in accordance with the resolution of the General Assembly issued in this regard. the resolution shall indicate the due date and the date of distribution. the dividends shall be entitled to the owners of the shares registered in the shareholders ' registers at the end of the day specified for vesting. the regulations shall specify the maximum period during which the board of directors must implement the resolution of the General Assembly on the distribution of profits to shareholders.

### Accrual of dividends

The shareholder shall be entitled to his share of the profits in accordance with the resolution of the General Assembly issued in this regard. The resolution shall indicate the due date and the date of distribution. the entitlement to profits shall be for the owners of the shares registered in the shareholders ' registers at the end of the day specified for vesting. The board of directors must implement the resolution of the General Assembly on the distribution of dividends to shareholders .



## 6.10 ownership of shares and debt instruments of the company with the right to vote for members of the board of directors, senior executives and their relatives during the year ending on 31/12/2023

| Percentage change                        | Net change during the year | End of the year 2023 |                  | Beginning of the year 2023 |                  | The name of the person to whom the interest belongs | # |
|--|----------------------------|----------------------|------------------|----------------------------|------------------|---|---|
|  |                            | Dean's tools         | Number of shares | Dean's tools               | Number of shares |   |   |
| <b>Members of the board of directors</b> |                            |                      |                  |                            |                  |   |   |
| %0                                       | -                          | -                    | 468              | -                          | 468              | Mr. Omar Rabeih Al Sulami                           | 1 |
| %0                                       | -                          | -                    | 468              | -                          | 468              | Mr. Nair Bayan Al Sulami                            | 2 |
| %0                                       | -                          | -                    | 35               | -                          | 35               | Mr. Mansour Nasser Al Sulami                        | 3 |
| %0                                       | -                          | -                    | 5                | -                          | 5                | Mr. Faisal Saad Al Subaie                           | 4 |
| %0                                       | -                          | -                    | -                | -                          | -                | Mr. Sultan Mohammed Al Howymel                      | 5 |
| <b>Executive management</b>              |                            |                      |                  |                            |                  |   |   |
| %0                                       | -                          | -                    | 35               | -                          | 35               | Mr. Mansour Nasser Al Sulami                        | 1 |
| %0                                       | -                          | -                    | -                | -                          | -                | Jamal Nasser Abdul Kream                            | 2 |

## 6-11 the number of the company's requests for the Register of shareholders, the dates of those requests and their reasons during 2023

| Reasons for demand | Property profile history | Order history | Number |
|--------------------|--------------------------|---------------|--------|
| Other              | 29/12/2022               | 9/2/2023      | 1      |
| Other              | 2/1/2022                 | 12/2/2023     | 2      |
| Other              | 18/2/2023                | 19/2/2023     | 3      |
| Corporate actions  | 12/6/2023                | 13/6/2023     | 4      |
| General Assembly   | 20/6/2023                | 13/6/2023     | 5      |
| Other              | 31/7/2023                | 2/8/2023      | 6      |
| General Assembly   | 10/10/2023               | 8/10/2023     | 7      |
| Corporate actions  | 30/9/2023                | 5/11/2023     | 8      |
| Other              | 26/11/2023               | 27/11/2023    | 9      |



## 6.12 company loan information

The group has a long-term loan in the amount of Sar 35.1 million in the form of a long-term financing lease to finance capital expansions. This loan is secured by the mortgage of land plots from the group. This loan is subject to an annual interest rate of 8%, the total financing burden related to this loan has been 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, dated October 28, 2020, the company reached an agreement to reschedule the loan installments including additional financing burdens in the amount of Sar 3,216,731 to be paid during the new loan term. accordingly, the quarterly installments were reduced and the loan repayment period was increased to end on October 15, 2024.

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

| 2022<br>SAR | 2023<br>SAR | Years |
|-------------|-------------|-------|
| -           | -           | 2020  |
| -           | -           | 2021  |
| -           | -           | 2022  |
| 7000        | -           | 2023  |
| 10,415      | 10,415      | 2024  |
| 17,415      | 10,415      | Total |

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

| 2022<br>SAR | 2023<br>SAR | Statement                          |
|-------------|-------------|------------------------------------|
| 17,415      | 10415       | Long-term financing                |
| (1,658)     | (219)       | Download: deferred financing costs |
| 15,756      | 10,195      | Net                                |
| (7000)      | (10,195)    | Come down: the Rolling part        |
| 8,757       | -           | Non-rolling segment                |

## 6.13 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 El Gouna distinguished company for sweets and parties limited

## 6-14 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 2023 ( 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                                    | # |
|---|-------|---|---------------------------|----------------------|--|---|
| 2022  | 2023  |   |                           |                      |  |   |
| 1,048   | 8,990 | 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 |
| 8,403   | 0     |   | Purchases                 |                      |  |   |
| 9,451   | 8,990 | 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                                    | ↕ |
|---------|-------|---|---------------------------|----------------------|--|---|
| 2022    | 2023  |   |                           |                      |  |   |
| 5,820   | 2,947 | 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 |
| 5,820   | 2,947 | 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                                    | ↕ |
|---------|------|---|---------------------------|----------------------|--|---|
| 2022    | 2023 |   |                           |                      |  |   |
| 2,591   | 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 |
| 2,591   | 0    | Total   |                           |                      |  |   |

## 6.15 regular payments made.

1-Zakat: the company is subject to the regulations of the General Authority of Zakat and income in the kingdom of Saudi Arabia. Zakat is recorded on an accrual basis

2-tax: the company complies with the applicable tax regulations and laws.

3-Social Insurance: the company is subject to the social insurance system and the social insurance dues are registered according to the accrual basis and the social insurance is paid monthly on the basis of the due for the previous month.

The movement in the zakat and income tax payable was as follows:

|                         | 31 December 2023 | 31 December 2022 |
|-------------------------|------------------|------------------|
| Balance as at 1 January | 933,627          | 309,866          |
| Change for the year     | 269,248          | 831,037          |
| Paid for the year       | (184,866)        | (209,866)        |
| 31 December             | 1,018,012        | 931,037          |

**Zakat position and tax:**

**Zakat Paid Company:**  
The company submitted its zakat returns for the years ending on 31 December from inception until 31 December 2022, and zakat certificates were received for those years.

**The tax status of Raydan Food Company:**  
Value added tax returns were submitted on a monthly basis from January 2018 to September 2023.

**Raydan Kitchen and Restaurant, Company, Egypt**

**A- Capital Companies Tax:**  
- The company was notified of an estimated Form 19 for the period from the beginning of the activity until 31 December 2016, and it was objected to and a request for re-examination will be submitted.  
- The company was notified on Form (307) to prepare examination documents for the years from 2018 to 2020.  
- The tax return was submitted for the year ending in 2021, on the legal date.

**B- Value Added Tax:**  
- The company's tax examination was carried out from the beginning of the activity until 2018, and the company paid the tax examination differences.  
- The company did not receive any notifications for the years from 2019 to 2023.

**C- Payroll tax:**  
The competent tax office has notified the company with an estimated Form (18) for the year since the beginning of the activity, until 2016, and it was objected to within the legal dates, and a request for re-examination will be submitted.

**D- Withholding and collection tax:**  
The company supplies the amounts that are deducted from the dealing parties to the tax authority on the legal dates.

**E- Stamp tax:**  
The company has not been examined until the date of the financial statements.

## Statement of the most important payments to the regulatory authorities for the year 2023 (value in thousand riyals):

| The amount | Statement   | # |
|------------|---|---|
| 6,150      | General Authority of Zakat and income (Zakat and Value Added Tax) | 1 |
| 2,094      | General Organization for social insurance                         | 2 |
| 134        | Municipalities and secretariats                                   | 3 |
| 90         | Government fees and approvals                                     | 4 |
| 327        | Passport Department - Ministry of Interior                        | 5 |
| 5,445      | Office work   | 6 |

## 6-16 Board of directors statements: .

1-the account records were prepared in the correct form.

2-that the internal control system was prepared on sound grounds and implemented effectively.

3-there is no doubt about the company's ability to continue its activity.

## ➤ 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 2023, 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 on 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.

## 6-17 the most important events during 2023 :

| م | The event  | Date                     |
|---|--|--------------------------|
| 1 | <a href="#">Raydan Food Company announces the opening of its new branch in Jeddah (Al Haramain Road Branch)</a>  | 12/01/2023<br>19/06/1444 |
| 2 | <a href="#">Raydan Food Co. Announces an update on Raydan Food Co. Announces Contract Sign Off with Okol Food To Provide Meals Est</a>   | 02/03/2023<br>10/08/1444 |
| 3 | <a href="#">Raydan Food Co. Announces an update on Raydan Food Co. Announces Contract Sign Off with Sol Almutaqadimah Co., Ltd</a>   | 21/03/2023<br>29/08/1444 |
| 4 | <a href="#">Raydan Food Co. announces its Annual Financial Results for the Period Ending on 2022-12-31</a>   | 30/03/2023<br>08/09/1444 |
| 5 | <a href="#">Addendum announcement from Raydan Food Company regarding the annual financial results ending on 31-12-2022</a>   | 17/04/2023<br>26/09/1444 |
| 6 | <a href="#">Raydan Food Co. announces its Interim Financial Results for the Period Ending on 2023-03-31 ( Three Months )</a>   | 22/05/2023<br>02/11/1444 |
| 7 | <a href="#">Raydan Food Co. announces to Invites its Shareholders to Attend the ( First Meeting ) Extraordinary General Assembly Meeting via modern technology</a>                             | 30/05/2023<br>10/11/1444 |
| 8 | <a href="#">Raydan Food Company announces to its valued shareholders the start date of electronic voting on the agenda items of the Extraordinary General Assembly meeting (first meeting)</a> | 14/06/2023<br>25/11/1444 |

| م  | The event  | Date                     |
|----|--|--------------------------|
| 9  | <a href="#">Raydan Food Co. Announces the Results of the Extraordinary General Assembly Meeting, ( Second Meeting )</a>  | 21/06/2023<br>03/12/1444 |
| 10 | <a href="#">Raydan Food Co. announces its Interim Financial Results for the Period Ending on 2023-06-30 ( Six Months )</a>   | 10/08/2023<br>23/01/1445 |
| 11 | <a href="#">Raydan Food Company announces the opening of its new branch (Riyadh District Branch) in Jeddah</a>   | 24/08/2023<br>08/02/1445 |
| 12 | <a href="#">Raydan Food Co. invites its shareholders to attend the Extraordinary General Assembly Meeting (the first meeting) through modern technology</a>                                    | 13/09/2023<br>28/02/1445 |
| 13 | <a href="#">Raydan Food Company announces to its valued shareholders the start date of electronic voting on the agenda items of the Extraordinary General Assembly meeting (first meeting)</a> | 04/10/2023<br>19/03/1445 |
| 14 | <a href="#">Raydan Food Co. Announces the Results of the Extraordinary General Assembly Meeting, ( Second Meeting )</a>  | 11/10/2023<br>26/03/1445 |
| 15 | <a href="#">Raydan Food Co. announces its Interim Financial Results for the Period Ending on 2023-09-30 ( Nine Months )</a>  | 09/11/2023<br>25/04/1445 |



