

Cenomi Retail

**Board of
Directors' Report**
2025



Chairman's Statement

Embarking on Growth - A New Era of Strength and Discipline

2025 marked an important inflection point in Cenomi Retail's journey. Over the year, we continued strengthening the institutional foundations of the Company, enhancing our governance framework and advancing structural changes intended to support resilience. While our transformation remains ongoing, these developments are designed to help the Company operate with greater discipline, clearer accountability and stronger strategic alignment as we progress into the next phase.

Ownership Transition. Continuity and Renewal.

The defining milestone of 2025 was the change in our shareholder structure. With Al-Futtaim Group acquiring 49.95% of the founders' stake, the Company entered a new chapter, building on the platform established under the Al Hokair legacy. We welcome the experience that Al-Futtaim brings as a long-term partner, while remaining focused on disciplined execution and responsible stewardship.

What began as a pioneering retail platform built under the Al Hokair legacy has now progressed into a partnership supported by a global retail operator with more than 90 years of experience.

A Milestone Reflected. A Brand Evolution Underway.

This transition represents continuity and renewal. It preserves the strength of our franchise heritage while reinforcing our strategic direction, financial stability and long-term growth potential. The legal name change to AFG International in January 2026 reflects this new phase and we are advancing a broader brand evolution process aligned with this next era of the Company's journey.

5.1
Group revenue
SAR bn



Stronger Oversight. Clearer Accountability.

Alongside the ownership transition, we reinforced our governance framework to support disciplined execution and resilience. Six new members joined our Board of Directors during the year, bringing complementary expertise and perspective. We also enhanced our committee structure, reconstitution of the Executive Committee, Audit Committee and Nomination and Remuneration Committee, and established a dedicated Transformation Committee to oversee strategic priorities and execution oversight.

Risk Management. Responsible Stewardship.

These steps strengthen accountability and risk oversight and are intended to keep governance aligned with the Company's evolving structure and long-term objectives. As a Board, we are committed to maintaining the highest standards of oversight, transparency and stewardship as we guide the Company through this period of strategic maturation.

Consolidation Year. Disciplined Execution.

Operationally, 2025 was a year of consolidation. We continued executing the turnaround plan with discipline, while the shareholder transition and related financing steps supported the Company in meeting obligations and strengthening its financial framework. Our strategy did not change; rather, it continued to mature. The foundations laid in previous years were reinforced through improved governance, enhanced capital stability and sharper strategic focus.

Vision 2030. Economic Diversification.

Our role within the Kingdom's economy remains central to our purpose. In 2025, we supported Saudi Vision 2030 through workforce localization, capability development and disciplined operations. As a leading franchise retailer, we contribute to economic diversification by supporting the non-oil retail sector, expanding consumer choice and maintaining international brand partnerships within the Kingdom. Through these efforts, we continue to support employment, skills development and the broader transformation of Saudi Arabia's retail landscape.

Looking Ahead. Measured Ambition.

As we enter 2026, our priorities remain clear. We will continue executing our strategy with discipline, strengthening governance, enhancing financial resilience and positioning the Company for sustainable growth. With a strengthened Board, a global strategic partner and a refined operating platform, we are focused on building sustainable value for shareholders and stakeholders over time.

Appreciation. Shared Commitment.

On behalf of the Board, I extend our appreciation to our customers and our shareholders for their continued trust, to our strategic partners and lenders for their collaboration, and to our brand partners and suppliers for their ongoing commitment. Above all, we recognize the dedication of our employees across all markets, whose efforts underpin our progress. As we progress into this new era, we remain focused on responsible growth, disciplined execution and enduring value creation.



This transition represents continuity and renewal. It preserves the strength of our franchise heritage while reinforcing our strategic direction, financial stability and long-term growth potential.

Hussein Bin Ali Shobokshi

Chairman



CEO's Message

Strengthened Foundations. Disciplined Execution.

2025 was a defining year in Cenomi Retail's transformation journey. While our turnaround remains ongoing, this year marked a clear transition from restructuring toward disciplined growth. Throughout the year, we focused on what matters the most; operational efficiency, portfolio optimization, omni-channel integration and financial stabilization. The result is a stronger, more resilient platform positioned to deliver sustainable value.

Our strategy continued to evolve in response to market dynamics to capture opportunities and navigate potential challenges. Phase 2 of our transformation was centered on stabilizing the platform and positioning the Company to capture future opportunity with a measured, return-led approach. We prioritized cost alignment, liquidity improvement, portfolio rationalization and productivity enhancement across retail and F&B.

Where we made Progress - Delivering Progress with Discipline

The impact of these actions is measurable. Our portfolio became sharper and more focused, with total brands reduced to 41 from 51. Store count declined to 742 from 882, and gross floor area optimized to 306,382 sqm from 367,486 sqm. These reductions were deliberate, reflecting disciplined capital allocation rather than contraction. Revenue per store increased to ₪ 6.87 million, up 25.2%, demonstrating stronger productivity across a leaner footprint, with Zara and Inditex like-for-like growth of 5.6% for the year. In 2025, we delivered tangible progress on the fundamentals. Group revenue grew to ₪ 5.1 billion (an increase of 5.3% year-on-year), supported by strong international performance +18.8% and continued momentum in online sales +15.1%, with online contribution rising to 8.2% of Group revenue. While reported earnings remained impacted by non-recurring items and impairments, these operating indicators demonstrate continued execution discipline and a stronger platform to build on as we progress through the next phase of our transformation. Furthermore, the transformation of our shareholder structure during the year, alongside refinancing efforts and shareholder loan support, strengthened our liquidity and financial flexibility. These steps enabled us to address obligations while freeing operational cash flow for reinvestment. Our balance sheet today is streamlined, more structured and better positioned to support return-led growth.

Core Brands Anchoring Performance

Our flagship brands, particularly Zara and the broader Inditex portfolio, remained the backbone of performance. These brands continued to demonstrate strong customer relevance and resilience, and the improved like-for-like trend reflects better execution, stronger coordination across channels and more disciplined commercial and operating practices. As we move forward, our priority remains to protect and strengthen the performance of the core portfolio while elevating the customer proposition. We continued investing selectively in prime locations, including renovations of Mango and Massimo Dutti at Nakheel Mall in Riyadh, reinforcing brand positioning in high-traffic destinations. Store yield management improved by 20.4% year-on-year across KSA and 47.1% in our international markets, reflecting disciplined merchandising, inventory management and pricing execution.

Building a Stronger Omnichannel Engine

Customer expectations continue to evolve and omnichannel execution remains a central pillar of our plan. Digital integration remained a critical growth lever. Online revenue reached 8.2% of total Group revenue in 2025, up from 7.5% in 2024. Inditex online revenues increased 25.1% year-on-year, supported by stronger omnichannel coordination and customer preference for digital shopping. Our focus was not simply on growing online sales, but on creating seamless integration between physical and digital platforms. Product availability, service enhancement and customer engagement were strengthened across touchpoints, reinforcing our ability to compete in an evolving retail environment.

International Discipline and Resilience

International markets played an increasingly important role in our revenue mix in 2025. Our international strategy remained disciplined and emphasized on stabilization and margin protection. International performance was driven primarily by our CIS markets, where economic conditions in several countries remained resilient and travel activity continued to support footfall and consumer demand. Our results reflect disciplined execution to capture these opportunities - through stronger commercial focus, availability and consistent brand delivery -while maintaining a selective, risk-aware approach across markets. In Egypt, we applied pricing discipline and operational adaptability in response to inflationary pressures. In Jordan, we concentrated on efficiency and steady brand performance in a stable, steady-growth retail environment. International revenue growth of 18.8% reflects the resilience of our diversified footprint and the disciplined management of market-specific dynamics.

Investing in our People and National Contribution

Even during transformation, our people remain our greatest strength. We maintained strong diversity and localization metrics. At year-end 2025, Cenomi Retail employed 5,338 people, with female participation at 55.79% and Saudization at 70%. These figures reflect our ongoing commitment to inclusion and national workforce development. We delivered 13 structured training programs during the year, totaling 84,732 learning hours and supporting 6,809 trainees. Training satisfaction reached 95% and 246 induction sessions were conducted across seven countries. These efforts reinforce our commitment to capability building even during transformation. Our contribution to Saudi Vision 2030 remains integral to our purpose. Through workforce localization, operational discipline and sustained international brand partnerships, we continue to support economic diversification and the development of the non-oil retail sector.

+5,000

New employees
at year-end 2025

Salim Fakhouri
Chief Executive Officer



Outlook for 2026 and Beyond

Looking ahead to 2026, our priorities will be selective store expansion in prime locations, targeted renovations, continued cost discipline and strengthening profitability and liquidity. Over the 2026-2028 period, our vision is to establish a resilient, profitable and disciplined retail platform driven by strong governance, omnichannel excellence and optimized capital allocation.

Saudi Arabia remains an attractive retail growth market, with fashion, apparel and F&B projected to expand furthermore. Against this backdrop, our approach is measured and return-led. We will protect and strengthen our core fashion portfolio, sharpen customer value and experience, accelerate omnichannel execution, and raise productivity across our existing network. We will also pursue adjacent opportunities selectively, ensuring disciplined capital deployment aligned with clear returns.

Acknowledgements

In 2025, Cenomi Retail entered a new chapter in its ownership structure. On 15 September 2025, under a share purchase agreement, 49.95% of the founders' collective shareholding was transferred, and we welcomed Al-Futtaim Group as a major shareholder, bringing deep retail expertise and long-term partnership. I would like to thank our founding shareholders, Al Hokair, for the legacy they established and for their continued support through this transition. I also thank our Board of Directors for their guidance, our brand partners for their collaboration and our customers for their trust. Above all, I recognize our employees across all markets whose dedication and resilience continue to drive our progress. 2025 has strengthened our foundations. As we move forward, we do so with discipline, clarity and confidence in our ability to deliver sustainable growth and long-term value.



Business Overview

FY-2025 At a Glance

Revenue	Revenue/ Store	International Revenue	Online Contribution
₹ 5.1bn	+25.2%	+18.8%	8.2%
+5.3% YoY	YoY – Company level	YoY growth	vs. 7.5% in FY-2024

A Year of Operational Discipline

FY-2025 represented a year of continued operational focus for Cenomi Retail as the Company concentrated on strengthening execution across its retail platform. The Management's priorities during the year included improving store productivity, maintaining the performance of core fashion brands and expanding the Company's omnichannel capabilities across its markets.

The Company's revenue reached ₹ 5.1 billion, representing a 5.3% year-on-year (YoY) growth supported by strong demand for the Company's leading fashion brands and continued momentum in both international markets and online sales.

Performance in the Kingdom of Saudi Arabia

Saudi Arabia remains the Company's largest and most established market. During FY-2025, performance in the Kingdom remained broadly stable as management focused on improving store productivity and strengthening operational execution across the existing retail network.

Leading fashion brands, particularly those within the Inditex portfolio, continued to anchor the Company's revenue base and maintain strong customer demand in the Kingdom.

International Market Growth

International markets were the primary contributor to the Company's revenue growth during the year. Cenomi Retail recorded strong performance across several international markets, particularly within the CIS region where favorable market conditions and continued demand for leading fashion brands supported higher sales and improved store productivity.

As a result, international retail revenue increased to ₹ 1.6 billion, reinforcing the importance of international operations in diversifying the Company's revenue base.

Food and Beverage Portfolio Actions

Within the Food and Beverage segment, management continued reviewing the performance of individual concepts across the portfolio. In Q4-2025, the Company implemented a targeted action to close five underperforming F&B brands, reflecting a decision to improve the quality and sustainability of the segment.

These actions were undertaken toward the end of the year and reflect the Company's continued focus on disciplined portfolio management.

Digital and Omnichannel Progress

Digital commerce continued to expand during the year, with online sales growing across both Saudi Arabia and international markets. The online channel contributed to 8.2% of the total Company revenue, reflecting the continued adoption of digital shopping and the strengthening integration between online platforms and physical stores.

The Company continues to view omnichannel capabilities as an important component of its long-term retail strategy.

Financial Performance and Capital Structure

While the Company delivered revenue growth and improvements in operational productivity during the year, overall profitability was affected by several non-recurring items including foreign exchange losses, tax-related settlements, asset write-offs and goodwill impairment. As a result, Cenomi Retail reported a net loss of ₹ 496.7 million for FY-2025.

During the year, and under the Share Purchase Agreement, Cenomi Retail strengthened its capital structure through a ₹ 1.35 billion shareholder loan facility from Al-Futtaim, and a ₹ 1.6 billion Emirates NBD (KSA) facility which was converted into a term loan, contributing to a more structured liability profile as the Company continues executing its operational priorities.



Financial Performance

	Fiscal Year 2024	Fiscal Year 2025	Change
Revenue (S'000s)	4,847,143	5,103,856	+5.3%
Gross Profit (S'000s)	565,644	579,585	+2.5%
Gross Margin	11.7%	11.4%	-0.3pp
EBITDA (S'000s)	460,626	162,189	-64.8%
EBITDA Margin	9.5%	3.2%	-6.3pp
Net Loss for the company (S'000s)	-197,463	-496,742	152%
Revenue per Store (S'000s)	5,496	6,879	+25.2%
Store Count	882	742	-15.9%
Brand Count	51	41	-10 brands
Online Revenue as % of Total	7.5%	8.2%	+0.7pp

Revenue Breakdown

	31 December 2025 (S'000s)	31 December 2024 (S'000s)
Revenue by division		
KSA Retail	3,195,797	3,184,670
International Retail	1,584,697	1,334,321
F&B	323,362	328,152
Revenue by channel		
Stores	4,686,565	4,483,770
Online	417,291	363,373
Revenue by geography (%)		
KSA	68.9%	72.5%
International	31.1%	27.5%

Financial highlights for the last five years

Balance Sheet KPIs (S'000s)	December 2025	December 2024**	December 2023	December 2022*	March 2022*
Total current assets	1,023,817	1,270,792	1,666,918	1,947,749	2,131,222
Total non-current assets	2,999,651	3,343,163	4,090,705	5,205,221	5,231,605
Total assets	4,023,468	4,613,955	5,757,623	7,152,970	7,362,827
Total current liabilities	2,574,320	4,281,282	4,678,965	4,693,137	5,066,323
Total non-current liabilities	2,915,352	1,350,810	1,884,964	2,113,891	2,092,336
Total liabilities	5,489,672	5,632,092	6,563,929	6,807,028	7,158,659
Total equity	-1,466,204	-1,018,137	-806,306	345,942	204,168
Total liabilities and equity	4,023,468	4,613,955	5,757,623	7,152,970	7,362,827

*These are based on restated numbers as presented in the Annual Financial Statements of 2023

**These are based on reclassified numbers as presented in the Annual Financial Statements of 2025

Income Statement KPIs (S'000s)	12 Months ended December 2025	12 Months ended December 2024**	12 Months ended December 2023	12 Months ended December 2022*	9 Months ended December 2022*
Revenue	5,103,856	4,847,143	5,232,231	5,525,341	4,247,672
Gross profit	579,585	565,644	646,506	845,268	695,203
Operating profit	-90,528	229,167	-640,067	327,955	321,708
Net (Loss)/profit for the company	-496,742	-197,463	-1,112,807	36,865	100,435

*These are based on restated numbers as presented in the Annual Financial Statements of 2023

**These are based on reclassified numbers as presented in the Annual Financial Statements of 2025

Comparing activity results with the previous same period

(S'000s)	12 Months ended December 2025	12 Months ended December 2024	Change	Percentage of Change
Revenue	5,103,856	4,847,143	256,713	5.30%
Cost of revenue	-4,524,271	-4,281,499	-242,772	5.67%
Gross profit	579,585	565,644	13,941	2.46%
Operating expenses	-670,113	-336,477	-333,636	99.16%
Operating profit	-90,528	229,167	-319,695	-139.50%
Net profit	-496,742	-197,463	-299,278	151.56%
Loss for the year is attributable to:				
Shareholders of the Company	-505,507	-203,539	-301,968	148.36%
Non Controlling Interests	8,765	6,075	2,690	44.28%

Accounting Standards

The Company has fully adopted International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Subsidiaries and their Associates

No	Subsidiaries	Country of Incorporation	Business Activity	Ownership Interest Held by the Group as at	
				31-Dec-25	31-Dec-24
1	Al Waheedah Equipment Co. Ltd.	Kingdom of Saudi Arabia	Retail	100	100
2	Haifa B. Al Kalam & Partners Co. for trading	Kingdom of Saudi Arabia	Retail	100	100
3	Saudi Retail Co. Ltd	Kingdom of Saudi Arabia	Retail	100	100
4	Wahba Trading Company Limited	Kingdom of Saudi Arabia	Retail	100	100
5	Unique Technology Trading Company	Kingdom of Saudi Arabia	Retail	100	100
6	Nesk Trading Projects Company	Kingdom of Saudi Arabia	Retail	100	100
7	Innovative Union Company (IUC)	Kingdom of Saudi Arabia	Food and Beverage	100	100
8	Food Gate Company	Kingdom of Saudi Arabia	Food and Beverage	70	70
9	Logistics Fashion Trading DWC-LLC	United Arab Emirates	Retail	100	100
10	Al-Jeel Trading Company	Kingdom of Saudi Arabia	Retail	100	100
11	Fashion Retail Kazakhstan LLP	Republic of Kazakhstan	Retail	100	100
12	Global Apparel Kazakhstan LLP	Republic of Kazakhstan	Retail	100	100
13	Retail Group Georgia LLC	Georgia	Retail	100	100
14	Master Retail Georgia LLC	Georgia	Retail	100	100
15	Spanish Retail Georgia LLC	Georgia	Retail	100	100
16	Pro Retail Georgia LLC	Georgia	Retail	100	100
17	Best Retail Georgia LLC	Georgia	Retail	100	100
18	Mega Store Georgia LLC	Georgia	Retail	100	100
19	Fashion Retail Georgia LLC	Georgia	Retail	100	100
20	Global Apparel Georgia LLC	Georgia	Retail	100	100
21	Retail Group Holding LLC	Georgia	Retail	100	100
22	Master Home Retail	Georgia	Retail	100	100
23	RIGE Co.	Arab Republic of Egypt	Retail	99	99
24	Retail Group Egypt Co. S.A.E	Arab Republic of Egypt	Retail	98	98
25	Retail Group Armenia CJSC	Armenia	Retail	96	96
26	Spanish Retail CJSC	Armenia	Retail	100	100
27	ZR Fashion Retail CJSC	Armenia	Retail	100	100
28	Global Apparel CJSC	Armenia	Retail	100	100
29	BR Fashion Retail CJSC	Armenia	Retail	100	100
30	Master Retail CJSC	Armenia	Retail	100	100
31	Best Retail CJSC	Armenia	Retail	100	100
32	Retail Group CJSC	Armenia	Retail	100	100
33	Pro Retail CJSC	Armenia	Retail	100	100
34	Factory Prices CJSC	Armenia	Retail	100	100
35	HComfort Retail Group CJSC	Armenia	Retail	100	100
36	Retail Group Jordan Co. LDT	Hashemite Kingdom of Jordan	Retail	100	100

No	Subsidiaries	Country of Incorporation	Business Activity	Ownership Interest Held by the Group as at	
				31-Dec-25	31-Dec-24
37	Nesk Trading Projects LLC	Hashemite Kingdom of Jordan	Retail	100	100
38	Retail Group Azerbaijan LLC	Azerbaijan	Retail	85	85
39	Fashion Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
40	Spanish Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
41	Global Apparel Azerbaijan LLC	Azerbaijan	Retail	85	85
42	Mega Store Azerbaijan LLC	Azerbaijan	Retail	85	85
43	Master Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
44	Pro Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
45	Retail Group Holding LLC	Azerbaijan	Retail	85	85
46	Best Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
47	Fashion Group CA	Uzbekistan	Retail	80	80
48	Fashion Retail Store	Uzbekistan	Retail	80	80
49	Master Retail Store	Uzbekistan	Retail	80	80
50	Retail Boutique	Uzbekistan	Retail	80	80
51	Retail Group Global	Uzbekistan	Retail	80	80
52	Retail Group Store	Uzbekistan	Retail	80	80
53	Retail Store Pro	Uzbekistan	Retail	80	80
54	Spanish Store	Uzbekistan	Retail	80	80

In addition to the above, the Group, directly and indirectly, owns certain dormant subsidiaries and special purpose vehicles across several countries which are not material to the Group.

The principal activities of all of the above subsidiary companies are wholesale and retail trading of fashion apparels, food and beverages and electronics business.

Shares and Debt Instruments Issued by Subsidiaries

There are no stocks and debt instruments issued by the subsidiary companies.

Dividend Policy

In accordance with Article 46 of the Company's Bylaws, the general policy for dividend distribution is as follows:

1. The General Assembly shall determine the percentage of net profits to be distributed to shareholders after the deduction of any reserves.
2. When determining the dividend payout from net profits, the Ordinary General Assembly may resolve to form reserves to the extent that it serves the Company's interests or ensures the distribution of stable dividends to shareholders as much as possible. Furthermore, the General Assembly may withhold amounts from net profits for the social purposes of the Company's employees.

A Description of Interests in the Category of Voting Shares

There are no interests in the category of voting shares.

Description of Interests, Rights of Option and Subscription Rights of Members of the Board of Directors, Senior Executives, their Spouses and Minors in Shares and Debt Instruments Issued by the Company or its Subsidiaries

There are no interests, option rights or subscription rights belonging to any of the members of the Board of Directors, the Company's Senior Executives, their spouses or their minor children in shares or debt instruments issued by the Company or its subsidiaries, other than what will be disclosed for the members of the Board of Directors in this Report.

Loans Against the Company and its Subsidiaries and the Amounts Paid During the Year

- On 14 September 2025, Fawaz Abdulaziz Alhokair Company (Cenomi Retail) entered into a ₪ 1,600 million credit facility agreement with Emirates NBD Bank, Kingdom of Saudi Arabia. The facility consists of a short-term loan with a 90-day maturity, intended to be refinanced into a three-year term loan, with an option to extend for an additional two years at the bank's discretion, subject to execution of the relevant agreements. The loan carried an interest rate of 3-month SAIBOR plus 1%. The facility is intended for the prepayment and settlement of existing bank debts. Guarantees include a promissory note from the Company and a corporate guarantee from Al Futtaim Private Company LLC, which is considered a related party due to its affiliation with Al Futtaim Retail Company, a substantial shareholder following the completion of a private share purchase transaction on 15 September 2025.

Subsequently, on 14 December 2025, the Group finalized the refinancing arrangements and converted the facility from a short term loan into a long term loan in accordance with the terms originally contemplated in the agreement. The loan carries an interest rate of 3-month SAIBOR plus 1.2%.

- On 14 September 2025, the Company entered into a ₪ 1,350 million shareholder's loan through a tri-party agreement with Al Futtaim Private Company LLC (an intermediate parent of Al Futtaim Retail Company). Under the agreement, Al Futtaim Private Company LLC is designated as the "Lender," and Al Futtaim Retail Company is identified as the "Purchaser of the Company's shares." The loan was extended pursuant to the terms of the share purchase agreement related to the special transaction. It carries an interest rate equal to the 3-month SAIBOR plus 3.6%, with interest capitalized every three months. Repayment is due at the earlier of five years from the disbursement date or three months after the completion date of the special transaction, at the Lender's discretion. The facility is intended to support the Company's financial position and enable the settlement of existing obligations. The agreement also grants the lender an option to convert the outstanding loan balance into equity, subject to regulatory and shareholder approvals.

The Creditor (₪'000s)	Loan Term	Loan Principal	Withdrawn during the Year	Interest Capitalized during the Year	Settlement during the Year	Loan balance as of 31 December, 2025
National Commercial Bank	84 months	1,487,386	--	-	-1,487,386	-
Riyad Bank	36 months	150,000	150,000	-	-300,000	-
Bank of Georgia	48 Months	93,700	--	-	-93,700	-
TBC Bank	30 Months	24,837	--	-	-24,837	-
Bank of Georgia	LC Refinance	7,831	--	-	-7,831	-
TBC Bank	LC Refinance	31,911	6,229	-	-19,276	18,864
Pasha Bank	18 Months	5,303	8,932	-	-7,881	6,354
Metropol Group	24 Months	7,449	--	-	-	7,449
SQB Bank	18 Months	6,281	4,367	-	-8,627	2,021
Bank Al Etihad - Jordan	LC Refinance	5,831	--	-	-5,831	--
Pasha Bank- Azerbaijan	LC Refinance	22,090	2,209	-	-24,299	--
Emirates NBD	3 Months	-	1,600,000	-	-1,600,000	--
Emirates NBD	3 Years + 2 years extension option	-	1,574,020	-	-	1,574,020
Shareholder Loan	5 Years	-	1,350,000	28,477	-	1,378,477
Total		1,842,619	4,695,757	28,477	-3,579,668	2,987,185

Description of Convertible Debenture

There is no convertible debenture issued by the Company.

Description of Transfer or Subscription Rights

There are no transfer or subscription rights issued by the Company.

Description of Recovered or Canceled Debt Instruments of the Company and its Subsidiaries

There are no redeemed or canceled debt instruments of the Company and its subsidiaries.

Board of Directors

Composition of the Board of Directors and Classification of its Members

The Board of Directors for the current session was elected by the General Assembly for a period of three years, which started on 12 August 2023 and ends on 11 August 2026.

On 17 April 2025, the Board of Directors resolved to appoint Dr. Abdullah Bin Mohammed Mattar as a Board member to fill the vacant seat, effective from his date of appointment until the end of the Board session on 11 August 2026.

On 15 September 2025, the Board of Directors approved the acceptance of the resignation of four Board members and the appointment of four new members effective from 15 September 2025, based on the recommendation of the Nomination and Remuneration Committee.

The Board of Directors also resolved on 15 September 2025 to accept the resignation of two Board members and appoint two new members effective from 16 September 2025, based on the recommendation of the Nomination and Remuneration Committee, and to appoint the Chairman and the Vice Chairman of the Board of Directors.

The table below illustrates the composition of the Board of Directors from 1 January 2025 through 15 September 2025 and 16 September 2025.

#	Name	Nationality	Capacity	Membership Status
1	Fawaz Bin Abdulaziz Alhokair*	Saudi	Chairman	Non-Executive
2	Dr. Abdulmajid Bin Abdulaziz Alhokair*	Saudi	Vice Chairman	Non-Executive
3	Abdulmajid Bin Abdullah Albasri**	Saudi	Member	Non-Executive
4	Abdulrahman Bin Mohammed Alanqari	Saudi	Member	Independent
5	Ahmed Bin Mohammed AlAlsheikh*	Saudi	Member	Independent
6	Mansour Bin Saad Alajlan**	Saudi	Member	Independent
7	Ahmed Bin Saleh Alsultan	Saudi	Member	Non-Executive
8	Ahmed Badawi Naif Shaheen*	Saudi	Member	Independent
9	Dr. Abdullah Bin Mohammed Mattar	Saudi	Member	Independent

* Resigned on 15 September 2025

** Resigned on 16 September 2025

The table below illustrates the composition of the Board of Directors following the appointment of the new Board members and the exclusion of the resigned Board members during the year.

#	Name	Nationality	Capacity	Membership Status
1	Hussein Bin Ali Shobokshi*	Saudi	Chairman	Independent
2	Ahmed Wassim Al Arabi*	American	Vice Chairman	Non-Executive
3	Abubakr Abdulla Al Futtaim**	Emirati	Member	Non-Executive
4	Tariq Bin Saad AlTwijrey**	Saudi	Member	Independent
5	Dr. Abdulrahman Bin Mohammed Alanqari	Saudi	Member	Independent
6	Russell Michael Rodrigues*	Indian	Member	Non-Executive
7	Ismail Hassan El Khatib*	Emirati	Member	Non-Executive
8	Ahmed Bin Saleh Alsultan	Saudi	Member	Non-Executive
9	Dr. Abdullah Bin Mohammed Mattar	Saudi	Member	Independent

* Appointed on 15 September 2025

** Appointed on 16 September 2025

The appointment of the members was ratified at the Extraordinary General Assembly meeting held on 5 January 2026.

Experience and academic qualifications of Board Members

Hussein Bin Ali Shobokshi

Chairman of the Board - Cenomi Retail



Qualification

- Bachelor's degree in Political Science and Business Administration - University of Tulsa, USA

Areas of expertise

- General trading, contracting, electrical works
- Financial Manager at Shobokshi Development & Trading Co.
- Data Analyst at Morgan Stanley, USA

Ahmed Wassim Al Arabi

President of the Retail Division at Al-Futtaim Group



Qualification

- Bachelor's degree in Business Administration - University of Arkansas, USA

Previous Role

- Chief Executive Officer (Shopping Centers and Entertainment Division) - Emaar

Areas of expertise

- Chief Executive Officer (Retail Division) - Alshaya Group
- Chief Executive Officer - WA Consulting for three years
- Chief Executive Officer (Shopping Centers and Entertainment Division) - Emaar

Abubakr Abdulla Al Futtaim



Qualification

- Bachelor's degree in International Studies and Political Science – Macalester College, USA

Areas of expertise

- 20 years of experience in strategy and operations

Tariq Bin Saad AlTwijrey

Investment Director at King Abdulaziz and His Companions Foundation for Giftedness and Creativity (Mawhiba)



Qualification

- Executive Master of Business Administration – King Saud University, KSA
- Bachelor's degree in Business Administration – Arab Open University, KSA

Areas of expertise

- Member of Board of Directors and committees of several companies, extensive experience in governance of domestic and regional investments

Previous Role

- Deputy CEO Advisor – Cenomi Centers

Dr. Abdulrahman Bin Mohammed Alanqari



Qualification

- PhD in Architecture

Areas of expertise

- Member of the Board of Directors and Chairman of the Nominations Committee – Saudi Finance Company

Previous Role

- Vice Chairman of the Board of Directors and Chairman of the Audit Committee – Arab Insurance Company

Russell Michael Rodrigues

Group Director of Internal Audit at Al-Futtaim Group



Qualification

- Certified Financial Manager
- Bachelor's degree in Commerce
- Chartered Accountant
- Certified Management Accountant

Areas of expertise

- More than 35 years of experience in internal audit and financial accounting

Previous Role

- Controller – Al Futtaim Group
- Finance Director –Al-Futtaim Group (Retail Division)
- Finance Director –Al-Futtaim Group (Automotive Division)

Ismail Hassan El Khatib

Director - Investments at Al-Futtaim Private



Qualification

- Bachelor's degree in Business Administration - American University of Sharjah, UAE
- Certified Management Accountant - Institute of Management Accountants, USA
- Executive MBA - Hult International Business School

Previous Role

- Chief Financial Officer - Al-Futtaim Real Estate

Areas of expertise

- Chief Financial Officer - Al-Futtaim Real Estate
- General Manager of Finance - Al-Futtaim Real Estate
- Financial Controller - Dubai Festival City
- Director of Corporate Support Services - TECOM Group Dubai Holding
- Business Controller - Nestlé Middle East

Ahmed Bin Saleh Alsultan

Chief Executive Officer - Alsaif Gallery



Qualification

- Master's degree in Business Administration - Brunel University, UK
- Bachelor's degree in Financial Management - Qassim University, KSA

Areas of expertise

- Operations Manager NES - Commercial Projects Company
- Executive Vice President - NES Commercial Projects Company
- Chief Executive Officer - Thob Al Aseel Company

Previous Role

- Chief Executive Officer - Thobe Al Aseel Company

Dr. Abdullah Bin Mohammed Mattar

Managing Partner - Al-Rasaneh Law Firm



Qualification

- Higher Diploma in Leadership - Emirates Leadership Foundation, UAE
- PhD in International Trade Law - Brunel University, UK
- Master's degree in International Trade Law - University of Arizona, USA
- Bachelor's degree in Law - Cairo University, Egypt

Areas of expertise

- Member of the National Committee for Strategic Partnerships - Saudi Chambers of Commerce
- Member of the Saudi-Pakistani, Jordanian, and Palestinian Business Councils - Saudi Chambers
- Chairman of the Appeals Committee - Horse Racing Club
- Advisor to the CEO and Director of Legal Affairs - Saudi Space Commission
- Legal Advisor at the Foreign Trade Agency - Ministry of Commerce and Investment

- Senior Legal Counsel at Hammad & Al-Mehdar Law Firm in association with Simmons & Simmons
- Legal Advisor at Saudi Aramco Shell Refinery Company
- Legal Advisor at the Royal Embassy of Saudi Arabia in London, UK
- Legal Advisor at SEDCO Holding
- Lecturer at the College of Law - Al-Yamamah University and Dar Al Uloom University

Fawaz Bin Abdulaziz Alhokair*

Chairman of the Board of Directors - Fawaz Abdulaziz Al Hokair Company

Qualification

- Bachelor's degree in Economics and Accounting
- PhD in Economics and Accounting

Areas of expertise

- Supervising the management of Fawaz Abdul Aziz Al Hokair & Partners Real Estate Company
- Chairman of the Board of Directors of Arabian Centers Company

Dr. Abdulmajid Bin Abdulaziz Alhokair*

Member of the Board of Directors - Fawaz Abdulaziz Al Hokair Company

Qualification

- Bachelor's degree in Medicine and Surgery - King Saud University, KSA

Areas of expertise

- Apparel, retail and food industries

Previous Role

- Chairman of the Board of Directors - Fawaz Abdulaziz Al Hokair Co.

Abdulmajid Bin Abdullah Albasri**

Qualification

- Master's degree in Applied Financial Mathematics - University of Connecticut, USA
- Master's degree in Economics - University of Connecticut, USA
- Bachelor's degree in Finance - James Madison University, USA

Areas of expertise

- Head of Treasury - Fawaz Abdulaziz Al Hokair & Partners Group
- Portfolio Manager - Samba Capital
- Auditor - Aldar Audit Office

Previous Role

- CFO - FAS Group

* Resigned on 15 September 2025

** Resigned on 16 September 2025

Ahmed Bin Mohammed AlAlsheikh*

Chairman - Ahmed Al Sheikh Company

Qualification

- Bachelor's degree in Sociology

Areas of expertise

- Chairman - Ahmed Al Sheikh Company

Previous Role

- Founder and Chairman - Wahba Company

Mansour Bin Saad Alajlan**

Qualification

- Bachelor's degree in Science

Areas of expertise

- Executive Director - Arab Towns Company
- Executive Vice President - Saudi Lebanese Construction Company
- Executive Director - Fawaz Abdulaziz Al Hokair & Partners Company

Previous Role

- Executive Vice President - Asal Company

Ahmed Badawi Naif Shaheen*

Managing Director - Al Shaheen Metallurgical Industries Company

Qualification

- Managing Director - Arab International Appliances Company

Areas of expertise

- More than 20 years of experience in the Industrial sector

Previous Role

- Founding Partner - Nabaa Bisan Company

Names of Companies Inside or Outside the Kingdom for which a Member of the Company's Board of Directors is a Member of its Current and Previous Boards of Directors or one of its Managers

Member Name	Current Board/ Management Positions	Inside/ Outside KSA	Legal Entity	Previous Board/ Management Positions	Inside/Outside KSA	Legal Entity
Hussein Bin Ali Shobokshi	Sinad Holding Co.	Inside	Closed joint stock			
	Shobokshi Development & Trading Co.	Inside	Limited liability			
	Naeem Holding	Outside	Egyptian joint stock			
	Smart Villages Development & Management Co.	Outside	Egyptian joint stock			
	Naeem Real Estate Holding Group	Outside	Egyptian joint stock			
	Naeem Real Estate Development	Outside	Egyptian joint stock			
	Okaz Organization for Press & Publication	Inside	Media company			
Ahmed Wassim Al Arabi	Sultan Center (Kuwait)	Outside	Listed joint stock	Mabane Company	Outside	Listed joint stock
				Shomoul Holding Company	Inside	Holding Company
Abubakr Abdulla Al Futtaim						
Tariq Bin Saad Al Twijrey	SAB First Funds	Inside	Investment funds	Al Andalus Real Estate Co.	Inside	Listed joint stock
Dr. Abdulrahman Bin Mohammed Alanqari	Saudi Finance Company	Inside	Closed joint stock			
Russell Michael Rodrigues	DC Aviation Al-Futtaim (DCAF)	Outside	Limited liability			
	Al-Futtaim Willis Towers Watson	Outside	Limited liability			
Ismail Hassan El Khatib	Emrill Services LLC	Outside	Limited liability			
	Al-Futtaim Colas LLC	Outside	Limited liability			
	Orient Takaful Insurance P.J.S.C.	Outside	Public joint stock			
	Bawabat AlShamal Real Estate Company	Outside	Limited liability			
Ahmed Bin Saleh Alsultan	Alsaif Gallery for Development and Investment	Inside	Listed joint stock			
	Arabian Oud Co.	Inside	Closed joint stock			

Member Name	Current Board/ Management Positions	Inside/ Outside KSA	Legal Entity	Previous Board/ Management Positions	Inside/Outside KSA	Legal Entity
Dr. Abdullah Bin Mohammed Mattar						
Fawaz Bin Abdulaziz Alhokair*	FAS Saudi Holding Company	Inside	Closed joint stock	Azizia Panda United Company	Inside	Closed joint stock
	Saudi Medical Company	Inside	Closed joint stock			
	Arabian Centers Company	Inside	Listed joint stock			
	FAS Lab Holding Company	Inside	Limited liability			
	Downtown Saudi Company	Inside	Limited liability			
	Muvi Cinemas Company	Inside	Closed joint stock			
	Star Energy Company	Inside	Limited liability			
	Al Farida First Properties	Inside	Limited liability			
	Emaar Mixers	Inside	Limited liability			
	FAS Saudi Holding Company	Inside	Closed joint stock	Fas Construction Company	Inside	Limited liability
Dr. Abdulmajid Bin Abdulaziz Alhokair*	Abdul Majeed Abdul Aziz Al Hokair & Sons Holding Company	Inside	Limited liability	Fas Construction Company	Inside	Limited liability
	Saudi Medical Company	Inside	Unlisted joint stock	Abdul Majeed Abdul Aziz Al Hokair & Sons Holding Company	Inside	Limited liability
Abdulmajid Bin Abdullah Albasri**	Arabian Centers	Inside	Listed joint stock			
Ahmed Bin Mohammed AlAlsheikh*	None					
Mansour Bin Saad Alajlan**	None					
Ahmed Badawi Naif Shaheen*	Al Shaheen Metallurgical Industries Company	Inside	Closed joint stock	Riyadh National Recruitment Company	Inside	Closed joint stock

* Resigned on 15 September 2025
** Resigned on 16 September 2025

Board Meetings

The elected Board of Directors held five meetings during the year to discuss matters pertaining to the financial year ended 31 December 2025. The following table sets out the attendance record of Board members at these meetings:

Members	18 Mar 2025	30 Jun 2025	21 Sep 2025	04 Nov 2025	07 Dec 2025	Total	Attendance Rate
Hussein Bin Ali Shobokshi	Membership had not started	Attended	Attended	Attended	Attended	3	100%
Ahmed Wassim Al Arabi	Membership had not started	Attended	Attended	Attended	Attended	3	100%
Abubakr Abdulla Al Futtaim	Membership had not started	Attended	Attended	Attended	Did not attend	2	66.7%
Tariq Bin Saad AlTwijrey	Membership had not started	Attended	Attended	Attended	Attended	3	100%
Abdulahman Bin Mohammed Alanqari	Attended	Attended	Attended	Attended	Attended	5	100%
Russell Michael Rodrigues	Membership had not started	Attended	Attended	Attended	Attended	3	100%
Ismail Hassan El Khatib	Membership had not started	Attended	Attended	Attended	Attended	3	100%
Ahmed Bin Saleh Alsultan	Attended	Attended	Attended	Attended	Attended	5	100%
Dr. Abdullah Bin Mohammed Mattar	Membership had not started	Attended	Attended	Attended	Attended	4	100%
Fawaz Bin Abdulaziz Alhokair	Attended	Attended	Membership ended			2	100%
Dr. Abdulmajid Bin Abdulaziz Alhokair	Attended	Attended	Membership ended			2	100%
Abdulmajid Bin Abdullah Albasri	Attended	Attended	Membership ended			2	100%
Ahmed Bin Mohammed AlAlsheikh	Attended	Attended	Membership ended			2	100%
Mansour Bin Saad Alajlan	Attended	Attended	Membership ended			2	100%
Ahmed Badawi Naif Shaheen	Did not attend	Attended	Membership ended			1	50%

Interests and Rights of Board Members, their Spouses and Minors

Members	Number of Shares at Beginning of Year	Ownership % at Beginning of Year	Net Change in Shares During the Year	% Change During the Year	Total Shares at End of the Year	Ownership % at End of the Year
Hussein Bin Ali Shobokshi	0	0	0	0	0	0
Ahmed Wassim Al Arabi	0	0	0	0	0	0
Abubakr Abdulla Al Futtaim	0	0	0	0	0	0
Tariq Bin Saad AlTwijrey	0	0	0	0	0	0
Dr. Abdulrahman Bin Mohammed Alanqari	13,004	0.01%	0	0	13,004	0.01%
Russell Michael Rodrigues	0	0	0	0	0	0
Ismail Hassan El Khatib	0	0	0	0	0	0
Ahmed Bin Saleh Alsultan	0	0	0	0	0	0
Dr. Abdullah Mohamed Mattar	0	0	0	0	0	0
Fawaz Bin Abdulaziz Alhokair (until resignation date of 15 September 2025)	4,354,158	3.79%	-4,167,795	95.72%	186,363	0.16%
Dr. Abdulmajid Bin Abdulaziz Alhokair (until resignation date of 15 September 2025)	6,253,160	5.45%	-6,252,614	99.985%	546	0.0005%
Abdulmajid Bin Abdullah Albasri (until resignation date of 16 September 2025)	0	0	0	0	0	0
Ahmed Bin Mohammed AlAlsheikh (until resignation date of 15 September 2025)	1,000	0.0009%	0	0	1,000	0.0009%
Mansour Bin Saad Alajlan (until resignation date of 16 September 2025)	0	0	0	0	0	0
Ahmed Badawi Naif Shaheen (until resignation date of 15 September 2025)	0	0	0	0	0	0

Other than what was included in the previous table, there is no interest, option rights or subscription rights belonging to any of the members of the Board of Directors, their spouses or their minor children in the shares or debt instruments of the Company or any of its subsidiaries.

Board of Directors' Actions to Inform its Members of Shareholders' Proposals

The Board of Directors provides all members, especially Non-Executives, with legal documents, financial reports, activity follow-up reports, future expansion studies and Board reports, as well as rules, procedures, policies and internal regulations that enable them to carry out their duties and discharge their responsibilities adequately, including being aware of the shareholders' proposals and remarks regarding the Company and its performance. Additionally, a mechanism has been created for the Investor Relations Department to deal with proposals and observations received from shareholders.

Means of the Board of Directors to Evaluate its Performance and the Performance of its Members and Committees

The Board of Directors relied on the procedures set out in the NRC charter to evaluate the annual performance of the Board members and its sub-committees through the self-evaluation forms.

Audit Committee Members from 1 January 2025 to 20 September 2025

Members	Membership Category
Dr. Abdulrahman Bin Mohammed Alanqari	Committee Chairman (Independent)
Ahmed Bin Saleh Alsultan	Committee Member (Non-Executive)
Zaki Abdullah Alawami	Committee Member (From outside the Board)

Audit Committee Members from 21 September 2025 to 31 December 2025

Members	Membership Category
Tariq Bin Saad AlTwijrey	Committee Chairman (Independent)
Dr. Abdulrahman Bin Mohammed Alanqari	Committee Member (Independent)
Russell Michael Rodrigues	Committee Member (Non-Executive)
Ismail Hassan El Khatib	Committee Member (Non-Executive)
Ahmed Bin Saleh Alsultan	Committee Member (Non-Executive)

Board Committees

The Company's Board of Directors has four sub-committees: the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee and the Transformation Committee. A description of these committees is set out below.

Audit Committee

The Audit Committee was formed by a decision of the Board of Directors on 5 September 2023, consisting of three members, including a member specializing in financial and accounting affairs, and an Independent Board member.

During 2025, the Board of Directors resolved on 21 September 2025 to reconstitute the Audit Committee, increasing its membership to five members, with only one member change.

Experience of Audit Committee Members

Name	Nationality	Qualification	Areas of Expertise	Current Role	Previous Role
Mr. Tariq Saad AlTwijrey					Previously introduced in the Board of Directors section
Dr. Abdulrahman Bin Mohammed Alanqari					Previously introduced in the Board of Directors section
Mr. Russell Michael Rodrigues					Previously introduced in the Board of Directors section
Mr. Ismail Hassan El Khatib					Previously introduced in the Board of Directors section
Mr. Ahmed Bin Saleh Alsultan					Previously introduced in the Board of Directors section
Mr. Zaki Bin Abdullah Alawami	Saudi	Bachelor's degree in Business Administration	<ul style="list-style-type: none"> Investment Analyst at Global House Financial Analyst at SABIC 	Head of Asset Management at Alinma Investment Company	Asset Management Manager at Alinma Investment Company

Schedule of Meetings for Audit Committee Members

A total of eleven (11) Audit Committee meetings were held during the period from January 1, 2025 through December 31, 2025, as follows:

Member	02/02/2025	16/03/2025	23/03/2025	23/03/2025	25/03/2025	07/05/2025	04/08/2025	27/08/2025	28/10/2025	03/11/2025	09/12/2025	Total	%
Mr. Tariq Saad AlTwijrey					Not yet				✓	✓	✓	3	100%
Dr. Abdulrahman Bin Mohammed Alanqari	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	100%
Mr. Russell Michael Rodrigues					Not yet				✓	✓	✓	3	100%
Mr. Ismail Hassan El Khatib					Not yet				✓	✓	✓	3	100%
Mr. Ahmed Bin Saleh Alsultan	✓	✓	✓	✓	Absent	✓	✓	✓	✓	✓	✓	10	91%
Zaki Bin Abdullah Alawami	✓	✓	✓	✓	✓	✓	✓	✓	Ended			8	100%

Duties and Responsibilities of the Audit Committee

- Overseeing the Internal Audit Department to ascertain its effectiveness in carrying out the tasks and functions set forth in the accounting policies approved by the Board of Directors and the relevant authorities.
- Reviewing internal audit reports and monitoring the implementation of corrective actions in response to the observations contained therein.
- Recommending to the General Assembly the appointment, dismissal, and fee determination of the external auditor, ensuring the auditor's independence, and following up on their work, including reviewing and approving the audit plan in conjunction with the external auditor.
- Reviewing the external auditor's observations on the Company's financial statements and following up on actions taken in that regard, as well as reviewing the quarterly and annual financial statements before their presentation to the Board of Directors and providing opinions and recommendations thereon.

5. Full responsibility for the accuracy of financial data rests with executive management; the Audit Committee's responsibility is limited to providing an independent opinion based on the information presented to it by the Company's management, the Internal Audit Department, and the external auditor.
6. Assessing the effectiveness of the Company's evaluation of material risks and the measures taken by management to monitor and address such risks, and providing opinions and recommendations to the Board of Directors in that regard.
7. Issuing an annual report to the General Assembly detailing the Committee's performance in relation to its competencies and duties as stipulated in the Companies Law and its implementing regulations, provided that the report includes the Committee's recommendations and its opinion on the adequacy of the Company's internal control, financial control, and risk management systems.
6. Directing the Company's management to ensure full compliance with the Board of Directors' directives and the Company's policies regarding physical inventory counts and related transactions.
7. Reviewing and approving related-party transactions prior to their approval by the Board of Directors.
8. Holding multiple meetings with the Company's management, the external auditor, and the internal auditor to confirm that the Company's management has provided them with all required data and information necessary for the performance of their work.

The Committee also made the following recommendations during those meetings:

- Establishing a Governance and Compliance Committee to verify the Company's compliance with applicable laws and regulations.
- Establishing a Risk Committee to oversee the Company's business risks and provide guidance on their management.
- Developing and enhancing internal controls, risk management, and governance procedures across all of the Company's activities, with a focus on implementing the Company's strategy centered on improving the performance of strategic brands, divesting or closing loss-making brands, and reducing operating costs in accordance with the plan approved by the Board of Directors, as well as enhancing inventory control procedures with the aim of improving the Company's financial position and achieving its objectives while safeguarding shareholders' rights.
- Enhancing the performance of international subsidiaries that present growth opportunities and disbursing accrued bonuses to the workforce in those companies to incentivize improved performance with the goal of increasing their profitability and sustaining a higher level of operational performance.
- 9. Reviewing and approving the annual plan, annual evaluation, salary increases, and bonuses for the Internal Audit Department.
- 10. Reviewing and approving the Internal Audit charter, manual, and protocols.
- 11. Reviewing internal audit reports and monitoring the implementation of the observations and recommendations contained therein.

Completed Work of the Committee

1. Recommending to the Board and the General Assembly the appointment of BDO as the external auditor to audit the Company's financial statements for the fiscal year ended December 2025.
2. Reviewing the Company's annual and quarterly financial statements and submitting recommendations to the Board of Directors for their approval in line with the external auditor's recommendation.
3. Directing executive management to take the necessary measures to address all observations contained in the Deloitte report entitled "Forensic Investigation into Inditex Inventory Shortage" covering the period from March to December 2022.
4. Reviewing and approving amendments to the Company's Articles of Association related to the Audit Committee prior to the adoption of the Articles of Association at the General Assembly.
5. Reviewing the Company's Delegation of Authority matrix prior to its approval by the Board of Directors. And Reviewing the Company's Bank Signatory Policy prior its approval by the Board of Directors.

Internal Audit Department

The Internal Audit Department, in conjunction with Crowe, carries out internal audit functions across the Company's various departments. In the course of delivering internal audit services, the Department adheres to the following:

1. Audits are conducted in accordance with the professional standards established by the Institute of Internal Auditors (IIA).
2. Maintaining independence, objectivity, and the highest degree of fairness and integrity, in compliance with the Code of Professional Conduct established by the Institute of Internal Auditors.
3. Maintaining positive relationships with fellow auditors, characterized by open communication, mutual trust, respect, and professionalism, while sustaining a high level of performance and effective time management.
4. Encouraging teamwork and innovation; pursuing continuous professional development through the attainment of professional certifications and educational objectives in the professional field; and conducting comprehensive audit reviews to provide a reasonable level of assurance.
5. Advancing the professional development of the Department in proportion to the Company's scale of operations and commitment to localizing the requisite expertise.

Scope of Work of the Internal Audit Department

1. Preparing the annual internal audit plan based on the risks identified during the risk assessment and validated by management, and prioritizing limited resources. The audit plan is organized on a three-year cycle, with each year comprising a combination of risk-based internal audit engagements, compliance support, advisory services, and ongoing monitoring and follow-up.
2. Assisting management in achieving its goals and objectives by contributing to a positive impact on the efficiency and effectiveness of operations.
3. Maintaining a continued commitment to professionalism, competence, and a constructive approach.

4. Continuing to leverage evolving audit methodologies and technologies to enhance the effectiveness and efficiency of the audit process.
5. Striving to be among the leading practitioners of the internal audit profession in the Kingdom of Saudi Arabia.
6. Developing and executing a risk-based sampling and testing methodology to determine whether the most critical management controls are well-designed and operating as intended.

Audit Committee Oversight

1. The Audit Committee periodically oversees the work of the Internal Audit Department and reviews its reports on a regular basis. To ensure the independence of the Internal Audit function, the Head of the Internal Audit Department reports both technically and professionally, as well as administratively, to the Audit Committee, with no interference from any of the Company's managers in the internal affairs of the Internal Audit function. The Internal Audit Department does not assume any direct operational responsibility in any of the areas or activities subject to audit. The Head of the Internal Audit Department is required to confirm annually to the Audit Committee the independence of the Internal Audit Department.
2. The Internal Audit Department provides a quarterly summary report to the Audit Committee on internal control weaknesses, scope limitations, good practices, and areas for improvement, in accordance with the International Professional Practices Framework of the Institute of Internal Auditors, thereby reinforcing the existing internal control framework.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed by a decision of the Board of Directors on 5 September 2023, consisting of three members.

During 2025, the Board of Directors resolved on 21 September 2025 to reconstitute the Nomination and Remuneration Committee, increasing its membership to five members and appointing new members to the Committee.

Nomination and Remuneration Committee Members from 1 January 2025 to 20 September 2025

Members	Membership Category
Mansour Bin Saad Alajlan	Committee Chairman (Independent)
Abdulmajid Bin Abdullah Albasri	Committee Member (Non-Executive)
Ahmed Bin Mohammed AlAlsheikh	Committee Member (Independent)

Nomination and Remuneration Committee Members from 21 September 2025 to 31 December 2025

Members	Membership Category
Tariq Bin Saad AlTwijrey	Committee Chairman (Independent)
Ahmed Wassim Al Arabi	Committee Member (Non-Executive)
Russell Michael Rodrigues	Committee Member (Non-Executive)
Hisham Tareef Ikhwan	Committee Member (From outside the Board)
Huda Malik Alghamdi	Committee Member (From outside the Board)

Experience of Remuneration Committee Members

Name	Nationality	Qualification	Areas of Expertise	Current Position	Previous Role
Mr. Tariq Saad AlTwijrey					Previously introduced in the Board of Directors section
Mr. Ahmed Wassim Al Arabi					Previously introduced in the Board of Directors section
Mr. Russell Michael Rodrigues					Previously introduced in the Board of Directors section
Mr. Mansour Bin Saad Alajlan					Previously introduced in the Board of Directors section
Mr. Abdulmajid Bin Abdullah Albasri					Previously introduced in the Board of Directors section
Mr. Ahmed Bin Mohammed AlAlsheikh					Previously introduced in the Board of Directors section
Mr. Hisham Tareef Ikhwan	Syrian	<ul style="list-style-type: none"> MBA – Manchester Business School, UK BSc in Industrial Engineering – Georgia Institute of Technology, USA 	Over 13 years of experience in human resources across 12 diverse markets spanning the Middle East and North Africa	HR Director – Al-Futtaim Retail	Talent Management Director – Al-Futtaim Group
Ms. Huda Malik Alghamdi	Saudi	Bachelors of Law- LLB Dar Al-Hekma University, KSA	Corporate governance; corporate and commercial law; regulatory compliance and risk management; commercial contracts and complex transactions; franchising and intellectual property; cross-sector experience across retail, automotive, contracting, logistics, and healthcare sectors; Advisory Board Member at Dar Al-Hekma University.	Legal Director – Cenomi Retail	Legal Counsel- AlFuttaim

Duties and Responsibilities of the Nomination and Remuneration Committee

The primary task of the Nomination and Remuneration Committee is to identify qualified individuals and candidates to be members of the Board of Directors who meet the necessary requirements for membership, as well as to assist the Board of Directors in establishing a sound system and building the necessary policies and procedures in this regard.

The following highlights the ordinary activities carried out by the Committee to discharge its responsibilities. It is a rule of thumb that in addition to such activities, the Committee may assume further roles and approve other policies and procedures that address the

commercial, legislative, regulatory and legal changes. Furthermore, the Committee may shoulder other responsibilities related to the Committee's purposes as they may be, from time to time, assigned by the Board of Directors:

1. Propose and periodically review clear policies and criteria for membership of the Board of Directors and executive management.
2. Recommend to the Board nominees for Board membership in accordance with the approved policies and criteria.

3. Review the structure of the Board of Directors and its committees and provide recommendations regarding any appropriate changes.
4. Annually verify the independence of the independent Board members.
5. Review and recommend to the Board the remuneration policy for Board members, Board committees, and executive management.
6. Recommend to the Board the remuneration of Board members, committee members, and executive management in accordance with the approved remuneration policy.
7. Review succession planning for senior executives and support the Board in ensuring the availability of qualified leadership for the Company.

Throughout the year, the Committee held seven meetings. The following table sets out the attendance record:

Members	21 Jan 2025	04 Feb 2025	23 Mar 2025	11 May 2025	18 May 2025	14 Jul 2025	04 Nov 2025	Total Attendance	Attendance Rate
Tariq Bin Saad AlTwijrey			Membership had not started				Attended	1	100%
Ahmed Wassim Al Arabi			Membership had not started				Attended	1	100%
Russell Michael Rodrigues			Membership had not started				Attended	1	100%
Hisham Tareef Ikhwan			Membership had not started				Attended	1	100%
Huda Malik Alghamdi			Membership had not started				Attended	1	100%
Mansour Bin Saad Alajlan	Attended	Attended	Attended	Attended	Attended	Attended	Membership ended	6	100%
Ahmed Bin Mohammed AlAlsheikh	Attended	Attended	Attended	Attended	Attended	Attended	Membership ended	6	100%
Abdulmajid Bin Abdullah Albasri	Attended	Attended	Attended	Attended	Attended	Did not attend	Membership ended	5	83.33%

Executive Committee

At its meeting on 30 December 2024, the Board of Directors resolved to reconstitute the Executive Committee. During 2025, the Board of Directors resolved on 21 September 2025 to reconstitute the Executive Committee, increasing its membership to five members and appointing new members to the Committee.

Executive Committee Members from 1 January 2025 to 20 September 2025

Members	Membership Category
Ahmed Bin Saleh Alsultan	Committee Chairman (Non-Executive)
Dr. Abdulmajid Bin Abdulaziz Alhokair	Committee Member (Non-Executive)
Abdulmajid Bin Abdullah Albasri	Committee Member (Non-Executive)

Executive Committee Members from 21 September 2025 to 31 December 2025

Members	Membership Category
Ahmed Wassim Al Arabi	Committee Chairman (Non-Executive)
Russell Michael Rodrigues	Committee Member (Non-Executive)
Ismail Hassan El Khatib	Committee Member (Non-Executive)
Faisal Abdullah Aljedaie	Committee Member (From outside the Board)
Simon Naga Shokri	Committee Member (From outside the Board)

Experience of Executive Committee Members

Name	Nationality	Qualification	Areas of Expertise	Current Position	Previous Position
Mr. Ahmed Wassim Al Arabi					Previously introduced in the Board of Directors section
Mr. Russell Michael Rodrigues					Previously introduced in the Board of Directors section
Mr. Ismail Hassan El Khatib					Previously introduced in the Board of Directors section
Mr. Ahmed Bin Saleh Alsultan					Previously introduced in the Board of Directors section
Dr. Abdulmajid Bin Abdulaziz Alhokair					Previously introduced in the Board of Directors section
Mr. Abdulmajid Bin Abdullah Albasri					Previously introduced in the Board of Directors section
Mr. Faisal Abdullah Al Jedaie	Saudi	Bachelor's degree in Business Administration	Chairman of the Board – Thobe Al Aseel Company	Over 30 years of experience in the retail sector, and holds board memberships in several companies across various sectors	CEO – Arabian Centers Company (Cenomi Centers)
Mr. Simon Naga Shokri	Egyptian	Bachelor's degree in International Business Administration and Commerce	VP for Asia (Inditex Fashion, Watsons, and 2XU) in MENA at Al-Futtaim Group	VP for Asia (Inditex Fashion, Watsons, and 2XU) in MENA at Al-Futtaim Group	<ul style="list-style-type: none"> Commercial Operations at Azadea Group Retail Operations and Brand Management at Dubai Holding Group

Functions of the Executive Committee

The Committee's scope of work encompasses all activities necessary to achieve its objectives, including:

1. Reviewing and granting preliminary approval of business plans prior to their submission to the Board of Directors for adoption.
2. Overseeing the implementation of the Company's strategic, operational, and financial plans and monitoring executive management's performance in achieving the approved objectives.
3. Approving business expansion, entry into or termination of partnerships or joint ventures, including the establishment or liquidation of subsidiaries.
4. Approving capital expenditures, financial commitments, and major contracts within the limits of authority delegated by the Board of Directors.
5. Overseeing franchise operations, store operations, and supply chain activities, including the opening or closing of stores and the approval of franchise agreements.
6. Reviewing and approving the organizational structure, workforce plans, and compensation and benefits policies prior to their submission to the relevant authorities in accordance with the approved Delegation of Authority matrix.
7. Overseeing investment policies, asset management, and investment agreements in alignment with the Company's strategic objectives.
8. Approving material agreements within the applicable regulatory frameworks and the approved Delegation of Authority matrix.
9. Reviewing matters referred to it by the Board of Directors or the Chairman of the Board and submitting appropriate recommendations thereon.

The Executive Committee held two meetings during the year. The attendance record of Committee members at those meetings was as follows:

Members	14 Oct 2025	24 Nov 2025	Total Attendance	Attendance Rate
Ahmed Wassim Al Arabi	Attended	Attended	2	100%
Russell Michael Rodrigues	Attended	Attended	2	100%
Ismail Hassan El Khatib	Attended	Attended	2	100%
Faisal Abdullah Aljedaie	Attended	Attended	2	100%
Simon Naga Shokri	Attended	Attended	2	100%

Transformation Committee

On 21 September 2025, the Board of Directors resolved to form a new Board sub-committee under the name "Transformation Committee" to oversee the restructuring process and to guide and support the retail business transformation across all core functions. The Committee's principal mandate is to support the Board of Directors in ensuring the repositioning of the business for sustainable growth, long-term efficiency and competitiveness.

Transformation Committee Members from 21 September 2025 to 31 December 2025

Members	Membership Category
Ahmed Wassim Al Arabi***	Committee Chairman (Non-Executive)
Hisham Tareef Ikhwan	Committee Member (From outside the Board)
Simon Naga Shokri	Committee Member (From outside the Board)
Sachin Wadhwa	Committee Member (From outside the Board)
Himanshu Shrivastava	Committee Member (From outside the Board)

Experience of Transformation Committee Members

Name	Nationality	Qualification	Areas of Expertise	Current Position	Previous Position
Mr. Ahmed Wassim Al Arabi				Previously introduced in the Board of Directors section	
Mr. Hisham Tareef Ikhwan				Previously introduced in the Nomination and Remuneration Committee section	
Mr. Simon Naga Shokri				Previously introduced in the Executive Committee section	
Mr. Sachin Wadhwa	Indian	<ul style="list-style-type: none"> Bachelor of Commerce MBA CPA CMA 	Over 30 years of experience in commercial operations management	Chief Financial Officer – Retail Division at Al-Futtaim Group	Managing Director – Al-Futtaim Electronics and Watches and Jewellery LLC
Mr. Himanshu Shrivastava	Indian	<ul style="list-style-type: none"> Bachelor's degree in Computer Science MBA in Information Technology & Marketing 	Over 25 years of experience in Technology & Digital Transformation	Chief Technology Officer – Alfuttaim Group	Head of Digital Technology – Citibank Asia Pacific

Duties and Responsibilities of the Transformation Committee

The Transformation Committee's mandate encompasses the leadership, oversight and execution of a holistic transformation agenda spanning performance, operations, human capital, real estate, customer experience, technology integration, efficiency enhancement and fostering a culture of innovation to ensure the success of the transformation process. The Committee shall work closely with the Board of Directors, other Board sub-committees and the executive management, and shall submit recommendations on the necessary actions to ensure alignment of objectives, clarity of the transformation agenda and successful execution of the transformation plans. The following is a summary of the activities carried out by the Committee to discharge its responsibilities:

1. Defining, monitoring, and enhancing the overall transformation strategy across all retail segments and markets.
2. Ensuring alignment of transformation initiatives with the Company's long-term vision, shareholder expectations, and market dynamics.
3. Recommending corrective actions and resource reallocation where performance deviates from the transformation plan.
4. Overseeing the modernization and optimization of retail operating processes, including store productivity, procurement, inventory management, logistics, and supply chain.
5. Overseeing initiatives to strengthen customer loyalty, enhance brand equity, and ensure omni-channel excellence.
6. Monitoring human resources initiatives, including capability building, leadership succession, workforce productivity, and upskilling programs, in line with the transformation objectives, without prejudice to the responsibilities of the Nomination and Remuneration Committee.
7. Overseeing the real estate strategy, including store openings, closures, relocations, and lease negotiations.
8. Recommending decisions regarding underperforming assets and strategic capital allocation.
9. Overseeing the development and integration of digital capabilities, including front-end applications, core technology platforms, data and intelligence platforms, enterprise architecture, network and cloud infrastructure, and information security.
10. Reviewing existing legal entities and recommending the optimal corporate structure.

The Transformation Committee held two meetings during the year. The attendance record of Committee members at those meetings was as follows:

Members	13 Oct 2025	24 Nov 2025	Total Attendance	Attendance Rate
Ahmed Wassim Al Arabi	Attended	Attended	2	100%
Hisham Tareef Ikhwan	Attended	Attended	2	100%
Simon Naga Shokri	Attended	Attended	2	100%
Sachin Wadhwa	Attended	Attended	2	100%
Himanshu Shrivastava	Attended	Attended	2	100%

Experience and qualifications of senior executives

Name	Current Role	Qualification	Areas of Expertise	Previous Role
Salim Fakhouri	Chief Executive Officer	<ul style="list-style-type: none"> MBA – IE Business School, Spain Diploma in Accounting and Auditing – National College of Education and Arts, Lebanon Executive Management Program, specializing in Business Administration 	Over 20 years of experience in the fashion and finance sectors across the Middle East and North Africa	President of the Fashion Division – Azadea Group Holding
Ahmed AbdelKareem	Chief Financial Officer (effective May 1, 2025)	Bachelor's degree in Finance and Accounting – Hashemite University, Jordan. Currently enrolled in London Business School for Executive MBA. Completed advanced coursework in financial management and strategic planning	Over 15 years of experience in financial management, accounting, corporate finance and treasury, across the fashion and F&B sectors within the Cenomi Group. Currently enrolled in London Business School for Executive MBA	Chief Financial Officer – Al Areen Holding Company
Mohamed Abbas	Chief Operating Officer	Executive MBA – ESCP Business School, Paris	Over 25 years of experience in the fashion retail sector, and in operations management and optimization	Operations Director – Azadea Group
Elie Aramouni	Chief Transformation Officer	<ul style="list-style-type: none"> MBA – HEC Paris Chartered Financial Analyst (CFA) 	Over 17 years of experience in leading strategies, planning and transformation	Principal–Kearney Strategy Consulting (Middle East)
Ahmed AlTheabi	Chief Human Capital Officer	<ul style="list-style-type: none"> Bachelor's degree in Business Administration – King Abdulaziz University, KSA Diploma in Accounting – Riyadh Technical College of Accounting 	Over 20 years of experience in human resource and aligning human capital strategies with business objectives to drive growth and organizational excellence	Human Capital Director – Saco

Remunerations and Compensation

Remuneration Policy

The Remuneration Policy for the Board of Directors, its Committees, and the Executive Management is prepared by the Nomination and Remuneration Committee (NRC) in accordance with the Company Law, the Capital Market Authority (CMA) Law, their Implementing Regulations, and prevailing best practices. The policy is reviewed and updated at the Committee's discretion or upon changes to relevant regulatory requirements.

Remuneration Controls and Criteria

In light of the provisions governing the remuneration of Board members, Board sub-committees, and Senior Executives as stipulated in the General Assembly-approved policy, the following criteria are considered when determining remuneration:

- **Fairness and Proportionality:** Remuneration shall be fair and proportionate to the member's competencies, duties, and responsibilities, as well as the specific objectives set by the Board to be achieved during the fiscal year.
- **NRC Recommendation:** Remuneration is based on the recommendations of the NRC.
- **Board Approval:** The Board of Directors must approve the remuneration for Board members, Committee members, and Senior Executives.
- **Activity and Skill:** Remuneration must be consistent with the Company's activities and the level of skill required for its management.
- **Sector and Scale:** Consideration is given to the sector in which the Company operates, its size, and the expertise of the Board members.
- **Attraction and Retention:** Remuneration should be reasonably sufficient to attract, motivate, and retain Board members with appropriate expertise and competence.

- **Additional Services:** A Board member may receive remuneration for any additional executive, technical, administrative, or advisory roles performed under a professional license in addition to the remuneration received as a member of the Board and its committees.
- **Differentiation:** Board remuneration may vary in amount to reflect a member's experience, specialization, assigned duties, independence, meeting attendance, or other relevant considerations.

Remuneration of Board Members

In accordance with Article 6 of the Remuneration Policy for Board Members, Committees, and Executive Management, the remuneration for a Board member consists of a fixed amount of ₪ 200,000. Additionally, members receive an attendance allowance of ₪ 15,000 for each meeting attended in person. If a meeting is held remotely through modern visual, audio, or any other electronic means approved by the Board, an attendance allowance of ₪ 15,000 is paid for each meeting.

A total of ₪ 2,257,906.46 was paid to the member of the Board of Directors Mr. Ahmed Saleh AlSultan during the financial year ended 31 December 2025, for administrative services based on an agreement between the Company and the member. This agreement was subsequently terminated and all related dues were fully settled in accordance with the Nomination and Remuneration Committee's resolution dated 04 November 2025.

The table below sets out the remunerations of the Board members approved by the General Assembly and paid during the financial year ended 31 December 2025, which are considered due for the financial year ended 31 December 2024.

	Fixed Remunerations						Variable Remunerations						Aggregate Amount	Expenses allowance	
	Specific Amount	Allowance for attending Board meetings	Total allowance for attending committee meeting committee	In-kind Benefits	Remunerations for Technical, managerial and consultative work	Remunerations of the Chairman, Managing Director, or Secretary, if a member	Total	Percentage of the profits	Periodic remunerations	Short-term incentive Plans	Long-term incentive Plans	Granted Shares (insert the value)			Total
First: Independent Members															
Dr. Abdulrahman Bin Mohammed Alanqari	200,000	60,000	90,000	-	-	-	350,000	-	-	-	-	-	-	350,000	-
Bander Bin Sulaiman Alghofais*	83,000	15,000	5,000	-	-	-	103,000	-	-	-	-	-	-	103,000	-
Mansour Bin Saad Alajlan	200,000	60,000	30,000	-	-	-	290,000	-	-	-	-	-	-	290,000	-
Ahmed Bin Mohammed AlAlsheikh	200,000	60,000	5,000	-	-	-	265,000	-	-	-	-	-	-	265,000	-
Ahmed Badawi Shaheen	0	0	0	-	-	-	0	-	-	-	-	-	-	-	-
Total	683,000	195,000	130,000	-	-	-	1,008,000	-	-	-	-	-	-	1,008,000	-
Second: Non-Executive Members															
Fawaz Bin Abdulaziz Alhokair	200,000	45,000	0	-	-	-	245,000	-	-	-	-	-	-	245,000	-
Dr. Abdulmajid Bin Abdulaziz Alhokair	200,000	60,000	5,000	-	-	-	265,000	-	-	-	-	-	-	265,000	-
Abdulmajid Bin Abdullah Albasri	200,000	60,000	65,000	-	-	-	325,000	-	-	-	-	-	-	325,000	-
Ahmed Saleh AlSultan	200,000	60,000	90,000	-	1,500,120	-	1,850,120	-	-	-	-	-	757,786.46	2,607,906.46	-
Total	800,000	225,000	160,000	-	1,500,120	-	2,685,120	-	-	-	-	-	757,786.46	3,442,906.46	-

*Former Board member in 2024; not a member during 2025

Remuneration of Committee Members

- In accordance with Article 7 of the Remuneration Policy for Board Members, Committees, and Executive Management, Audit Committee members receive a fixed amount of ₪ 100,000. They are also entitled to an attendance allowance of ₪ 10,000 per meeting, capped at 10 meetings per year.
- For other committees, members receive a fixed amount of ₪ 75,000, plus an attendance allowance of ₪ 5,000 per meeting, capped at 10 meetings per year. The total remuneration for

these members shall not be less than ₪ 75,000, calculated from the date of the Board's approval of their appointment. This allowance also applies to meetings held remotely through modern electronic means.

The table below sets out the remunerations of the Board sub-committee members approved by the Board of Directors and paid during the financial year ended 31 December 2025, which are considered due for the financial year ended 31 December 2024.

	Fixed Remunerations (excl. session attendance allowance)	Session Attendance Allowance	Total
Audit Committee Members			
Dr. Abdulrahman Bin Mohammed Alanqari	100,000	90,000	190,000
Ahmed Bin Saleh AlSultan**	100,000	90,000	190,000
Zaki Abdullah Alawami	100,000	90,000	190,000
Total	300,000	270,000	570,000
Nomination and Remuneration Committee Members			
Abdulmajid Bin Abdullah Albasri	75,000	30,000	105,000
Bander Sulaiman Alghofais	25,000	5,000	30,000
Mansour Bin Saad Alajlan	75,000	30,000	105,000
Ahmed Bin Mohammed AlAlsheikh	50,000	5,000	55,000
Total	225,000	70,000	295,000
Executive Committee Members			
Dr. Abdulmajid Bin Abdulaziz Alhokair	75,000	5,000	80,000
Abdulmajid Bin Abdullah Albasri	75,000	35,000	110,000
Mohammed Rafiq Mourad	0	0	0
Wassim Kabara	0	0	0
Total	150,000	40,000	190,000

Waiving of Rights to Salaries, Compensation, or Dividends

The Company has not received any waivers from any shareholder, Board member, or Senior Executive regarding any of their rights to dividends, salaries, or compensation.

Salaries, Remunerations and Compensation of Senior Executives

The five senior executives, including the Chief Financial Officer and the Chief Executive Officer, who are not members of the Board of Directors, received

salaries, remunerations and compensation during their tenure in their current positions during the financial year ended 31 December 2025. The following table sets out the details of these amounts:

	Fixed Remunerations				Variable Remunerations				End of Service Award	Board Committee Remunerations (if any)	Grand Total
	Salaries	Allowances	In-kind Benefits	Total	Periodic Remuneration	Profits	Short-term Incentive Plans	Granted Shares (enter value)			
CEO	3,635,650	1,250,750	-	4,886,400	3,000,000	-	-	-	3,000,000	-	7,886,400
Project Head*	2,051,000	662,811.68	-	2,713,811.68	3,083,333.33	-	-	-	3,083,333.33	2,240,876.37	8,038,021.38
CFO	1,362,964	481,008.60	-	1,843,972.60	333,733	-	-	-	333,733	-	2,177,705.60
COO	1,228,275.76	649,550.44	-	1,877,826.20	294,028	-	-	-	294,028	-	2,171,854.20
Executive Director (Electronics)	1,080,000	533,499.96	-	1,613,499.96	247,557	-	-	-	247,557	-	1,861,056.96
Total	9,357,889.76	3,577,620.68	-	12,935,510.44	6,958,651.33	-	-	-	6,958,651.33	2,240,876.37	22,135,038.14

*Former CFO

Relationship Between Remunerations Granted and the Applicable Remuneration Policy

Remunerations of the Board members, sub-committee members and senior executives are paid in accordance with the regulatory controls approved by the Board of Directors, the provisions of the Company's Bylaws as approved by the General Assembly, and the Remuneration Policy approved by the General Assembly, based on the recommendation of the Nomination and Remuneration Committee. Accordingly, there is no deviation between the remunerations granted to the Board members and the executive management and the applicable Remuneration Policy.

Contracts in which there are Interests of Board Members and Senior Executives

Contracts and Transactions with Related Parties

In the course of its business, the Company engages in transactions with related parties. These transactions are conducted on the same terms as those applied to transactions with other parties, and in accordance with the controls set out in the relevant laws, policies and procedures. The following is a statement of the business or contracts to which the Company is a party and in which a member of the Board of Directors or a senior executive, or any person related to any of them, has or had an interest, or any transactions between the Company and other related parties.

Statement of Business and Contracts to which the Company is a Party and in which a Board Member, Senior Executive or a Person Related to any of them has or had an Interest

#	Related Party	Related Board Member	Nature of Contract	Terms and Conditions	Duration	Transaction Amount During 2025
1	Egyptian Centers for Real Estate Development	Fawaz Bin Abdulaziz Alhokair* / Abdulmajid Bin Abdulaziz Alhokair*	Store leases	No preferential terms	Renewed annually	655,801
2	FAS Saudi Holding Company*	Fawaz Bin Abdulaziz Alhokair* / Abdulmajid Bin Abdulaziz Alhokair*	Expenses paid on behalf of the Company	No preferential terms	One time	12,283,215
3	Food and Entertainment Company*	Fawaz Bin Abdulaziz Alhokair* / Abdulmajid Bin Abdulaziz Alhokair*	Payments made on behalf of the Group	No preferential terms	Purchase orders	14,633,099
4	Arabian Centers Company*	Fawaz Bin Abdulaziz Alhokair* / Abdulmajid Bin Abdulaziz Alhokair*	Store leases	No preferential terms	1 to 10 years	183,234,956
5	Da'm Human Resources Company*	Fawaz Bin Abdulaziz Alhokair* / Abdulmajid Bin Abdulaziz Alhokair*	Human resources staffing services	No preferential terms	Annual	14,681,644
6	Hagen Limited*	Fawaz Bin Abdulaziz Alhokair* / Abdulmajid Bin Abdulaziz Alhokair*	Printing and advertising services	No preferential terms	Purchase orders	92,372
7	Saudi Retail Academy (non-profit company)	Ahmed Bin Saleh Alsultan	Training services	No preferential terms	Renewed annually	3,820,142
8	Saudi Retail Academy (non-profit company)	Ahmed Bin Saleh Alsultan	HRDF	No preferential terms	Actual	5,723,050
9	Al-Futtaim Private Company LLC	Ahmed Wassim Al Arabi / Abubakr Abdulla Al Futtaim / Ismail Hassan El Khatib / Russell Michael Rodrigues	Shareholder loan	No preferential terms	Five years	1,350,000,000
10	Al-Futtaim Private Company LLC	Ahmed Wassim Al Arabi / Abubakr Abdulla Al Futtaim / Ismail Hassan El Khatib / Russell Michael Rodrigues	Accrued interest on shareholder loan	No preferential terms	Five years	28,467,561
11	Al-Futtaim Private Company LLC	Ahmed Wassim Al Arabi / Abubakr Abdulla Al Futtaim / Ismail Hassan El Khatib / Russell Michael Rodrigues	Guarantee fees from Al-Futtaim Private Company for the Company's loan from Emirates NBD Bank amounting to 1,577,167,294.93	No preferential terms	Three years with a two-year extension option	16,893,333
12	Orient Insurance Company	Ahmed Wassim Al Arabi / Abubakr Abdulla Al Futtaim / Ismail Hassan El Khatib / Russell Michael Rodrigues	Directors and officers insurance	No preferential terms	One year	740,060

*(until 14 September 2025)

Description of Transactions Between the Company and Other Related Parties

Related Party	Nature of Relationship	Transaction Type / Nature of Contract	Contract Duration	Transaction Amount During 2025
Wonderful Meals Company	Affiliate	Product purchases	Annual	24,625,735
		Reversal of dividend	One time	10,097,646
Metropol Group	Affiliate	Accrued Interest	2 Year	1,172,165

It should be noted that all these transactions were carried out considering competitive and fair prices. The balances due to the related companies as on 31 December 2025 was as follows (the figures are rounded):

Company Name	Balance Type	Balance as at 31 December 2025 (S'000s)	Balance as at 31 December 2024 (S'000s)
Saudi Retail Academy	Debit/(Credit)	138	706
Wonderful Meals Co. Ltd.	Debit/(Credit)	5,070	-9,715
Metropol Group - Uzbekistan	Debit/(Credit)	-9,104	-7,932
Al-Futtaim Private Company LLC	Debit/(Credit)	-1,378,477	-

Zakat and Income Tax

Tax position of foreign subsidiaries

Income tax returns for the subsidiaries in Jordan, Egypt, Kazakhstan, Georgia, Azerbaijan, Armenia and Uzbekistan have been filed for all years up to 31 December 2025.

At the end of the fiscal year ending on 31 December 2025, no Zakat provision was required due to a negative Zakat base. The Company formed a provision of S 51.11 million to meet the Zakat and income tax liabilities until the end of the fiscal year ended on 31 December 2025. The details of the transactions relating to the provision for Sharia Zakat and income tax during the fiscal year ended on 31 December 2025 are as follows:

Movement of Provision for Zakat and Income Tax	Legal Zakat	Income Tax	Custom	Total Zakat and Income Tax
Allocated balance on 01 January 2025	69,635	-95	29,689	99,229
Allocated for the fiscal period ending on 31 December 2025	--	46,068	--	46,068
Paid during the fiscal period ending 31 December 2025	-73,635	-39,298	-30,733	-143,666
Changes in estimates of zakat and taxes related to prior years	4,000	-	1,044	5,044
Other liabilities	-	-	-	-
Provision balance on 31 December 2025	-	6,675	-	6,675

Based on the Company's management estimates, the provision for Sharia Zakat and income tax is sufficient for the fiscal period ending on 31 December 2025.

Investments and Reserves Created for the Benefit of Employees

There are no investments or reserves created for the benefit of employees, except for those prescribed by the labor system in the Kingdom of Saudi Arabia.

Acknowledgments of the Board of Directors

- That the account records are properly prepared.
- The internal controls were prepared on sound foundations and implemented effectively.
- There is no doubt about the issuer's ability to continue its activity.
- There were no recommendations from the Audit Committee that conflicted with the decisions of the Board of Directors, nor any recommendations that the Board declined to adopt regarding the appointment of the Company's external auditor, their dismissal, the determination of their fees, the evaluation of their performance, or the appointment of the internal auditor.

Penalties and Fines

The Capital Market Authority (CMA) announces the issuance of a CMA Board resolution to impose a fine of ₪ 20,000 (twenty thousand) on the Company for its failure to publish its annual financial statements for the fiscal year ended on 31 December 2024 on the Saudi Exchange (Tadawul) website within the statutory deadline.

Auditor's Report

Material uncertainty related to going concern

We draw attention to Note (3-2) of the accompanying consolidated financial statements, which indicates that the Group incurred a net loss of ₪ 497 million for the year ended 31 December 2025, and as of that date it recorded accumulated losses of ₪ 2,113 million. In addition, the Group's current liabilities exceeded its current assets by ₪ 1,545 million as of 31 December 2025, and as of that date total liabilities exceeded total assets by ₪ 1,466 million. These events or

conditions, along with other matters as set forth in details in Note (3-2) of the accompanying consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Opinion

We have audited the consolidated financial statements of AFG International Company (the "Company") and its subsidiaries (together "the Group") (Previously Fawaz Abdulaziz Al Hokair & Co.) which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statements of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Applying the Provisions of the Corporate Governance Regulations

In accordance with the requirements of Article 90, Paragraph (1) of the Board of Directors' Report of the Corporate Governance Regulation, the Company has implemented all the articles, except for the articles outlined in the following table.

Article	Paragraph	Obligatory/Optional	Execution Position	Causes and Company Procedures
Article 37: Training	All paragraphs	Optional	Not applicable	An optional article; its application will be studied in the future.
Article 39: Evaluation	All paragraphs	Optional	Not applicable	The Board of Directors has mechanisms for evaluating its performance; however, this article has not been applied as it is an optional article. Its application will be studied in the future.
Article 51	Paragraph (D)	Optional	Partially applied during the year	This article was applied until 20 September 2025. Upon the reformation of the Audit Committee on 21 September 2025, this article was not applied, and it will be studied for future application.
Article 67: Formation of a Risk Management Committee	All paragraphs	Optional	Not applicable	An optional article; its application will be studied in the future.
Article 68: Functions of the Risk Management Committee	All paragraphs	Optional	Not applicable	An optional article; its application will be studied in the future.
Article 69: Meetings of the Risk Management Committee	All paragraphs	Optional	Not applicable	An optional article; its application will be studied in the future.
Article 82: Motivating Employees	All paragraphs	Optional	Not applicable	An optional article; its application will be studied in the future.
Article 85: Social Action Initiatives	All paragraphs	Optional	Not applicable	An optional article; its application will be studied in the future.

Annual Review of the Effectiveness of Control Procedures

As a result of the Audit Committee's efforts at the level of the Company and its subsidiaries, the annual review of internal control procedures - selected for testing during the fiscal year ended December 31, 2025 by the Committee, the Internal Audit function, and based on the external auditor's reports - indicates that executive management has initiated a remediation plan addressing certain material matters highlighted in the Committee's previous report, including the following:

- Implementing the Internal Audit recommendations to strengthen the internal control systems, as detailed in the periodic follow-up reports issued by the Internal Audit function.

- Approving the Delegation of Authority to reinforce the Company's internal control and governance systems.
- Improving the Company's cash position by securing a loan from shareholders, restructuring the Company's bank loans with new banks on improved terms, and transitioning the Company from a distressed status to a stable financial position.
- Divesting and closing brands that were generating financial losses and refocusing on strategic brands that generate profits for the Company.

The Committee further notes that internal controls, risk management, governance procedures, and activities related to certain critical operations require further development, including inventory operations (encompassing physical inventory counts and inventory write-offs), fixed assets, financial reporting, information systems applications, sales operations, and key activities in the Company's international subsidiaries outside the Kingdom.

Operational and Financial Risk

Underperforming Brands

The Company is committed to introducing well-known and globally established brands to the Saudi market after conducting feasibility studies on launching these international brands. Although it is rare for a well-known brand to fail from the start, this can occasionally happen. The Company conducts continuous economic viability assessments of operating brands to maintain profitable trade names and terminate relationships with unprofitable ones when necessary, ensuring and protecting the interests of the Company and its shareholders.

Unprofitable Stores

The Company prepares detailed profit and loss analyses supported by monthly reports and performance information for each brand in every branch and region. These reports show sales, cost of sales, and selling expenses by brand and store. However, some stores may not achieve their expected results due to external factors such as changes in market conditions, customer behavior, or shifts in general taste. In such cases, the Company may close unprofitable stores, implement modifications, or change brands to achieve the Company overall objectives.

Excess Inventory

The ability to market products is one of the most significant risks facing any retail company. Excess inventory ties up capital and negatively impacts profit margins. To address these risks, the Company conducts detailed studies of quantities purchased at the beginning of each season for each item individually. The Company promotes end-of-season inventory through specific discount seasons and has opened several outlet stores to dispose of remaining inventory after the discount season.

Expansion-Related Risks

The Company intends to continue increasing its number of branches and diversifying the trade names it offers in the market. The Company's ability to manage this expansion depends on its capacity to continue implementing and developing operational and financial systems, information management systems,

and training, motivating, and managing its human resources to contribute to achieving the Company's objectives. Future financial results may be affected if the expansion strategy is not successful. If the Company cannot compete in current or new markets, it may be unable to recover capital expenditures, establishment costs, production, distribution, marketing costs, and administrative expenses incurred in developing such markets. To address these risks, the Company focuses on attracting distinguished human resources with experience in new markets it enters and is currently implementing direct, permanent, and immediate communication for all its external branches with the Company's headquarters through modern electronic means.

Competition

The Company does not see any substantial risks that might result in the termination of any of its international franchise rights, based on the excellent relationship between the Company and its commercial agencies.

Currency Exchange Rate Fluctuation Risks

The fluctuation of the ﷲ exchange rate against foreign currencies directly affects product costs and profits, as the Company's operations include purchasing goods paid for in currencies other than the ﷲ, such as the Euro and British Pound. The Company hedges part of the risks resulting from exchange rate fluctuations, which limits the impact of exchange rate changes on the Company's business results.

Dependence on Distinguished Human Resources

Any activity depends on the capabilities and expertise of its executive managers and key employees. Therefore, the Company implements multiple strategies to address the risks of losing effective employees and attracting qualified and professional employees, in addition to internally developing and improving employee capabilities to fill senior positions within the Company.

Hiring Saudi Nationals and the Social Contribution Program

Saudi National Employment and Community Contribution Program

Cenomi Retail spares no effort in supporting the objectives of the Kingdom's Vision 2030, which seeks to build a bright and prosperous future driven by a vibrant society. The Company's commitment is clearly reflected in the employment and training of Saudi nationals, underpinned by a robust learning and development framework. Learning and development is defined as an institutional process that combines the Company's formal methodology with employees' personal commitment - a journey that begins when an employee joins and continues throughout every stage of their career. The Company assumes full responsibility for providing the tools and opportunities necessary to ensure the success of this process. The Company's learning and development methodology is competency-driven, with competency gaps translated into learning objectives that form part of a structured development plan supported by a wide range of approved learning initiatives.

1. Development Activities

- A wide variety of activities are available to support employee development, and employees are encouraged to explore the opportunities before them. The Company has designed its training activities to address and meet its business needs.
- The Company adopts the 70:20:10 learning model in its development activities, which is competency-based and promotes self-directed learning. The model delivers authentic on-the-job learning experiences (70%), supported by coaching and self-study (20%), and formal classroom training sessions and learning events (10%).
- Over 90% of employees benefit from training activities.

On-the-Job Training

- Development activities designed to reinforce learning in the workplace.

- On-the-job training consists of individualized instruction delivered in the actual work environment under the supervision of an experienced employee, ensuring that intended learning outcomes are achieved.
- This type of training was funded through the "Tawteen" program, through which the required on-the-job training was provided.

Coaching and Self-Study

- Establishing a two-way communication channel between less experienced and more experienced employees is an effective approach to enhancing personal and professional development, fostering career growth and innovation, and elevating motivation and productivity.

Classroom Training and Formal Learning Events

- Theoretical training supporting e-learning activities is conducted primarily in-house.
- All formal training activities include pre- and post-training discussions and assessments.

2. Performance Management

The Performance Management Program reflects the Company's commitment to establishing a clear plan for managing and evaluating employee performance, thereby driving improvements in overall business outcomes. The program is supported by a clear, direct, regular and two-way communication process between the evaluator and the employee.

Objectives:

- Ensuring that an appropriate governance mechanism is in place for the annual performance review of all employees.
- Conducting comprehensive, objective and realistic assessments of employee performance and progress with a high degree of transparency and fairness, while documenting key information related to performance levels and achievements.
- Ensuring that the Company's priorities are clearly communicated to employees and that performance plans are aligned with the Company's strategic plan to the greatest extent possible.

- Encouraging evaluators to foster learning and development through regular positive or constructive feedback.
- Maximizing the potential of all employees and motivating each individual to seek avenues for growth.

3. Development Model

Competency Assessment

- The competency assessment process measures employees' knowledge, skills and abilities against competency requirements, with the aim of identifying strengths and development areas and communicating them to the relevant employees.
- Employees were assessed against the specific competencies required for the next level in their career path.
- Each position within the career path is linked to a defined set of competencies and a specified proficiency level for each competency, along with the corresponding development activities required.
- The competency guide serves as a clear indicator of the Company's expectations for employees in each role.

Individual Development Plan

- The Company develops a unique, tailored plan for each employee that focuses on bridging identified gaps, enabling the employee to reach the level required for advancement to the next position in their career path.
- The plan defines the learning objectives needed to close the employee's competency gaps.
- All development activities within the plan are selected from the Company's training handbook.

4. Training Handbook

The training handbook is prepared annually based on the learning objectives identified by employees as part of their development focus areas.

5. Core Training

- The Company has developed core training programs that are aligned with business requirements but are not tied to any specific competency.
- Employees receive role-specific training based on their position, including training in areas such as sales and point-of-sale operations and the Oracle platform.

6. Establishment of the Saudi Retail Academy

The Saudi Retail Academy (formerly Cenomi Academy) commenced its training activities in December 2023 in the Kingdom of Saudi Arabia, specializing in retail training and development. The Academy is one of the Strategic Partnership Institutes affiliated with the Technical and Vocational Training Corporation (TVTC) in collaboration with Cenomi, dedicated to supporting and advancing the Kingdom's retail sector in alignment with Vision 2030. The Academy is distinguished by its expertise in training retail professionals and retailers across the Kingdom. Through state-of-the-art facilities and interactive training experiences, the Academy is committed to developing competencies and leadership skills that enhance professional career paths. It equips employees with the skills and knowledge necessary to keep pace with evolving consumer needs, and offers a range of training programs governed by specific assessment criteria and managed by highly skilled and experienced staff.

Cenomi Retail is committed to supporting the Kingdom's Vision 2030 goal of developing the skills and capabilities of Saudi nationals and facilitating their employment through the Academy's programs. A key focus area is the recruitment and development of 500-1,000 Saudi nationals annually - individuals who have completed their secondary education and wish to enroll in a vocational program to gain hands-on work experience and advance along their career paths. The Company's goal by 2030 is to build an entirely Saudi workforce across all roles and organizational levels. All programs offered by the Academy are licensed by the TVTC and City & Guilds.

The assessment center is accredited by Cambridge University Press & Assessment.

The following programs are offered by the Academy:

- Retail Sales Representative Diploma
- Retail Store Manager Diploma
- Brand Area Manager Diploma
- Brand Manager Diploma

Program Duration

24 months
12 months
3 months

All programs include classroom training, interactive training and on-the-job training.

Total Training Output

Training Programs	6
Training Hours	41,281
Program Introductory Sessions	246
Program Satisfaction Rate	95%
Countries	7
Classroom Trainees	2,689
E-Learning Trainees	4,641

The Academy currently has approximately 325 trainees, to whom Cenomi Retail provides the following incentives:

1. Monthly salary
2. Medical insurance
3. Sales incentives
4. Enrollment in the General Organization for Social Insurance (GOSI)
5. Tuition-free training for 24 months for job seekers, with the Company covering 25% of the training costs as part of its corporate social responsibility, while the Human Resources Development Fund (HRDF) covers the remaining 75%

The Competing Businesses with the Company or any of its Activities that any Member of the Board of Directors Engages in

Company Name	Board Member	Member's Position in the Competing Company	Description of the Group	Nature of Competing Business	Ownership Percentage
Majd Alaamal Group (Limited Liability)	Abdulmajid Bin Abdulaziz Alhokair (Non-Executive Board member)*	Partner	Majd Alaamal is a group working in multiple sectors (restaurants, financial investments, real estate and contracting)	Food and Beverage	50%

* Resigned on 15 September 2025

General Assembly of the Shareholders

The Company held one Ordinary General Assembly Meeting during the fiscal year starting on 1 January and ending on 31 December 2025.

The following table describes the date of the meeting and the names of the Board members who attended:

Date of the Meeting	Attendance by the Members of the Board of Directors	Remarks
25 June 2025 Ordinary General Assembly	Fawaz Bin Abdulaziz Alhokair	Fawaz Bin Abdulaziz Alhokair
	Dr. Abdulmajid Bin Abdulaziz Alhokair	Dr. Abdulmajid Bin Abdulaziz Alhokair
	Dr. Abdulrahman Bin Mohammed Alanqari	Dr. Abdulrahman Bin Mohammed Alanqari
	Mansour Bin Saad Alajlan	Mansour Bin Saad Alajlan
	Ahmed Bin Mohammed AlAlsheikh	Ahmed Bin Mohammed AlAlsheikh
	Abdulmajid Bin Abdullah Albasri	Abdulmajid Bin Abdullah Albasri
	Ahmed Bin Saleh Alsultan	Ahmed Bin Saleh Alsultan
	Ahmed Badawi Naif Shaheen	Ahmed Badawi Naif Shaheen
Dr. Abdullah Bin Mohammed Mattar	Dr. Abdullah Bin Mohammed Mattar	

Shareholders' Register Requests

The Company requested the shareholders' register 22 times during the fiscal year for the period from 1 January to 31 December 2025, the details of which are as follows:

Serial Number	The Date of Request	Reason for Requests
1	31 January 2025	Corporate Actions
2	28 February 2025	Corporate Actions
3	27 March 2025	Corporate Actions
4	31 March 2025	Corporate Actions
5	30 April 2025	Corporate Actions
6	13 May 2025	Corporate Actions
7	12 June 2025	Corporate Actions
8	15 June 2025	Corporate Actions
9	25 June 2025	General Assembly
10	29 June 2025	Corporate Actions
11	30 June 2025	Corporate Actions
12	13 July 2025	Corporate Actions
13	16 July 2025	Corporate Actions
14	22 July 2025	Corporate Actions
15	30 July 2025	Corporate Actions
16	03 August 2025	Corporate Actions
17	31 August 2025	General Assembly
18	22 September 2025	General Assembly
19	30 September 2025	Corporate Actions
20	31 October 2025	Corporate Actions
21	30 November 2025	Corporate Actions
22	31 December 2025	Corporate Actions