

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026
WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
A SAUDI JOINT STOCK COMPANY
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WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT
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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED COSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"

A SAUDI JOINT STOCK COMPANY

RIYADH, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tabuk Agricultural Development Company "TADCO (a Saudi joint stock company) (the "Company") (and its subsidiaries together "the Group) as of 31 March 2026 and the interim condensed consolidated statements profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and other explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BASIS FOR QUALIFIED CONCLUSION

As disclosed in Note (11) to the interim condensed consolidated financial statements, the Group has continued to classify the assets and liabilities of Masader Agricultural Feed Company (the "Subsidiary") as discontinued operations since 25 September 2024. However, we were unable to obtain sufficient and appropriate audit evidence to support the continued fulfillment of the criteria for such classification as at 31 December 2025 and 31 March 2026. In addition, the legal procedures required to transfer ownership of the assets and operating activities in accordance with the assignment agreement signed between the owner of the establishment (one of the partners) and Masader Agricultural Feed Company have not yet been completed. Furthermore, we were unable to obtain the Audited financial statements of the Subsidiary or perform alternative audit procedures regarding the validity, completeness, and valuation of the related balances and disclosures. Accordingly, we were unable to determine whether any adjustments might have been necessary to the interim condensed consolidated financial statements. The total assets of Masader Agricultural Feed Company included in these interim condensed consolidated financial statements amounted to 18,020,308, while its total liabilities amounted to 21,599,416.

CONCLUSION

Based on our review, except for the possible effects of the matters described in the "Basis for Qualified Conclusion" section of our report, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting," that is endorsed in the Kingdom of Saudi Arabia.



**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**

**TO THE SHAREHOLDERS OF
TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
A SAUDI JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA**

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note (2-4) to the interim condensed consolidated financial statements, which indicates the existence of material uncertainties related to going concern. The Group's accumulated losses amounted to 315.24 million, representing 80% of its share capital. In addition, the Group's current liabilities exceeded its current assets, resulting in a working capital deficit of 164.89 million. Furthermore, the Group incurred negative cash flows from operating activities amounting to 7.42 million. Management has prepared the accompanying interim condensed consolidated financial statements on a going concern basis based on the Group's future business plans to generate sufficient positive cash flows to enable it to meet its obligations as they fall due and to continue its operations. Our conclusion is not modified in respect of this matter.

Other Matter

The interim condensed consolidated financial statements of the Group as at 31 March 2025 and for the three-month period then ended were reviewed by another auditor, who expressed an unmodified conclusion on those interim condensed consolidated financial statements dated 24 Dhul Qi'dah 1446H (corresponding to 22 May 2025).

for Alzoman, Alfahad and Alhajjaj Professional Services

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No. 562



Riyadh, Kingdom of Saudi Arabia

Date: 30 Dhul Qi'dah 1447 AH
Corresponding to: 17 May 2026

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

AS AT 31 MARCH 2026

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	5	149,064,924	152,622,378
Investments in associate companies through equity method	1/6	116,664,958	138,480,389
Investment at fair value through OCI	2/6	222,400	222,400
Total non-current assets		265,952,282	291,325,167
Current assets			
Inventories, net	7	7,651,018	10,034,200
Trade receivables, net	14	306,266	393,140
Biological assets	8	533,427	-
Due from related party	9	5,060,000	5,060,000
Prepayments and other receivables, net		2,428,249	2,492,331
Cash and cash equivalents	10	13,869,151	1,344,181
Total current assets from continued operations		29,848,111	19,323,852
Total assets from discontinued operations	11	18,020,308	18,021,908
Total assets		313,820,701	328,670,927
Equity and liabilities			
Equity			
Share capital	1	391,767,000	391,767,000
Other reserves		1,858,734	1,858,734
Remeasurement reserve of employee's benefits obligations		4,617,055	3,703,937
Foreign currency translation reserve		(7,841,993)	(7,086,058)
Fair value reserve		(190,400)	(190,400)
Accumulated losses		(315,242,403)	(303,282,531)
Total equity attributable to shareholders of the Company		74,967,993	86,770,682
Equity for non-controlling interest		375,705	446,345
Total equity		75,343,698	87,217,027
Liabilities			
Non-current liabilities			
Long term loan - non-current portion	12	14,733,909	14,553,385
Employee defined benefit obligations		10,988,917	12,629,620
Total non-current liabilities		25,722,826	27,183,005
Current liabilities			
Long-term loans - current portion	12	68,692,420	68,692,420
Trade payables		39,304,836	40,645,145
Due to related party	9	5,060,000	5,060,000
Dismantling provision		1,364,756	1,356,956
Deferred government grants		433,147	521,817
Accrued expenses and other payables		53,368,554	49,789,868
Dividends payable to shareholders		22,865,673	22,871,812
Provision Zakat	16	65,375	3,758,489
Total current liabilities from continued operations		191,154,761	192,696,507
Total liabilities from discontinued operations	11	21,599,416	21,574,388
Total liabilities		238,477,003	241,453,900
Total equity and liabilities		313,820,701	328,670,927

Chief Financial Officer

Zaid Yahya Mohammad Al Ghazu


Chief Executive Officer

Abdullah Hamoud Al Salhi Al Harbi


Authorized Board Member

Nasser Dhaifallah Naqa Al-Rahili



The accompanying notes an integral part of these interim condensed consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Note	Three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Continuing operation			
Revenue, net	15	593,488	13,109,104
Cost of Revenue		(7,048,052)	(13,208,559)
Gross loss from continuing operations		(6,454,564)	(99,455)
Selling and distribution expenses		(1,648,429)	(2,860,596)
General and administrative expenses		(3,729,676)	(5,442,545)
Loss from continuing operating activities.		(11,832,669)	(8,402,596)
Share of profit from investments in associates accounted for using the equity method	1/6	1,035,471	1,367,508
Loss on disposal of shares in associates accounted for using the equity method	1/6	(2,018,267)	-
Expected credit losses on trade receivables	14	(82,884)	(502,504)
Reversal provision for advance to suppliers		160,035	-
Finance cost, net		(91,854)	(252,500)
Other income		930,143	551,335
Net loss before zakat from continuing operations		(11,900,025)	(7,238,757)
Zakat	16	-	-
Net loss for the period from continuing operations		(11,900,025)	(7,238,757)
Discontinuing operations			
(Loss) / profit for the period from discontinuing operations		(176,601)	127,613
Net loss for the period		(12,076,626)	(7,111,144)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Foreign currency translation differences	1/6	(755,935)	44,538
Items that will not be subsequently reclassified to profit or loss:			
Actuarial gains on re-measurement of employee benefit obligations		959,232	-
Total other comprehensive income		203,297	44,538
Total comprehensive loss for the period		(11,873,329)	(7,066,606)
Net Loss for the period attributable to:			
Shareholders of the parent Company		(12,005,986)	(7,102,197)
Non-controlling interest		(70,640)	(8,947)
		(12,076,626)	(7,111,144)
Total Comprehensive loss attributable to:			
Shareholders of the parent Company		(11,802,689)	(7,057,659)
Non-controlling interest		(70,640)	(8,947)
		(11,873,329)	(7,066,606)
Basic loss per share			
Basic loss per share from net loss for the period		(0.31)	(0.18)

Chief Financial Officer

Zaid Yahya Mohammad Al Ghazu

**Chief Executive Officer**

Abdullah Hamoud Al Salhi Al Harbi

**Authorized Board Member**

Nasser Dhaifallah Naqa Al-Rahili



The accompanying notes an integral part of these interim condensed consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Share capital	Other reserves	Remeasurement reserve of employees benefit obligations	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total equity attributable to shareholders of the Parent Company	Equity for non-controlling interest	Total
31 March 2026									
Balance as of 1 January 2026 (Audited)	391,767,000	1,858,734	3,703,937	(7,086,058)	(190,400)	(303,282,531)	86,770,682	446,345	87,217,027
Net loss for the period	-	-	-	-	-	(12,005,986)	(12,005,986)	(70,640)	(12,076,626)
Other comprehensive Income	-	-	959,232	(755,935)	-	-	203,297	-	203,297
Total comprehensive loss for the period	-	-	959,232	(755,935)	-	(12,005,986)	(11,802,689)	(70,640)	(11,873,329)
Reclassification of remeasurement reserve of employees' benefit obligations - Note 1/1/6	-	-	(46,114)	-	-	46,114	-	-	-
Balance as of 31 March 2026 (Unaudited)	391,767,000	1,858,734	4,617,055	(7,841,993)	(190,400)	(315,242,403)	74,967,993	375,705	75,343,698
31 March 2025									
Balance as of 1 January 2025 (Audited)	391,767,000	1,858,734	(165,415)	(7,283,311)	718,800	(207,410,618)	179,485,190	500,000	179,985,190
Net loss for the period	-	-	-	-	-	(7,102,197)	(7,102,197)	(8,947)	(7,111,144)
Other comprehensive Income	-	-	-	44,538	-	-	44,538	-	44,538
Total comprehensive loss for the period	-	-	-	44,538	-	(7,102,197)	(7,057,659)	(8,947)	(7,066,606)
Balance as of 31 March 2025 (Unaudited)	391,767,000	1,858,734	(165,415)	(7,238,773)	718,800	(214,512,815)	172,427,531	491,053	172,918,584

Chief Financial Officer
Zaid Yahya Mohammad Al Ghazu



Chief Executive Officer
Abdullah Hamoud Al Salhi Al Harbi



Authorized Board Member
Nasser Dhaifallah Naqa Al-Rahili



TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2026
(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Note	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
OPERATING ACTIVITIES:			
Loss for the period before zakat from continuing operations		(11,900,025)	(7,238,757)
(Loss)/profit for the period from discontinuing operations		(176,601)	127,613
Adjustments for			
Depreciation of property, plant and equipment	5	3,679,833	3,820,507
Employees defined benefit obligations - charged for the period		400,040	339,046
Provision for property, plant and equipment held for sale		-	35,628
Reversal provision for advance to suppliers		(160,035)	-
Expected credit losses on trade receivables	14	82,884	502,504
Impairment of finished goods inventory	1/7	72,629	743,696
provision of inventory	1/7	1,598,765	-
Used from inventory provision	1/7	(1,638,863)	-
Provision for the dismantling cost		7,800	-
Finance cost		91,854	-
Share of profit from investments in associates accounted for using the equity method	1/6	(1,035,471)	(1,367,508)
Loss on disposal of shares in associates accounted for using the equity method	1/6	2,018,267	-
Changes in operating assets and liabilities			
Inventory		2,350,651	2,776,783
Trade Receivables		3,990	70,737
Prepayments and other receivables		224,117	(503,949)
Biological assets		(533,427)	(7,911,782)
Net change in discontinued operations		26,628	-
Trade payables		(1,340,309)	3,730,061
Due to related party		-	(11,650)
Accrued expenses and other payables		2,497,175	6,633,670
Cash (used in) generating from operating activities		(3,730,098)	1,746,599
Employees benefit obligations paid		-	(1,177,057)
Zakat paid during the period		(3,693,114)	(975,226)
Net cash used in operating activities		(7,423,212)	(405,684)
INVESTING ACTIVITIES			
Paid to purchase property, plant and equipment	5	(122,379)	(294,529)
Proceeds from investments in associates accounted for using the equity method	1/6	20,076,700	-
Net cash generating from (used in) investing activities		19,954,321	(294,529)
FINANCING ACTIVITIES			
Dividends paid		(6,139)	(11,172)
Net cash used in financing activities		(6,139)	(11,172)
Net change in cash and cash equivalents		12,524,970	(711,385)
Cash and cash equivalents at the beginning of the period		1,344,181	1,143,798
Cash and cash equivalents at the end of the period		13,869,151	432,413
Non- Cash transactions			
Reclassified from employees' benefits obligation to accrued expenses and other payables		1,081,511	-

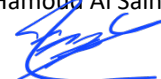
Chief Financial Officer

Zaid Yahya Mohammad Al Ghazu




Chief Executive Officer

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Authorized Board Member

Nasser Dhaifallah Naqa Al-Rahili



TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

1. COMPANY'S MAIN ACTIVITIES

The Tabuk Agricultural Development Company "TADCO" is a Saudi joint stock company registered under the Company's commercial registration issued by the city of Tabuk under registration No 3550005403. On 15 Shaaban 1404 corresponded to 16 May 1984. The company was formed on 22 March 1983, by Royal Decree No. (11/M).

The Company's capital is 450 million Saudi riyals divided into 45 million shares, with a Par value of 10 Saudi riyals per share. On 18 March 2020, the capital was reduced to 241,767,000 Saudi riyals, with a Par value of 10 Saudi riyals per share, to cover the company's accumulated losses, and on 4 May 2021, the capital was increased amounted by 150 million ﷲ to become ﷲ 391,767,000 divided to ﷲ 39,176,700 shares with a Par value of 10 Saudi riyals per share. This resulted in costs of issuing equity instruments amounting to ﷲ 6.8 million that were deducted from equity.

The main activity of the Group is mixed farming (mixed production between crops and animals without specialized production of crops and animals), support activities for animal production, the manufacture of concentrated feed for animals, management and leasing of owned or leased real estate (residential), management and leasing of owned or leased real estate (non-residential). The Group's fiscal year begins at the beginning of January of each calendar year and ends at the end of December of the same year.

The Company's head office is located in the Tabuk region PO Box 808 Tabuk 71421, and the Board of Directors may establish branches, offices or agencies for it inside and outside the Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2/1 Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and should be read in conjunction with the Group's latest annual consolidated financial statements for the year ended 31 December 2025. These financial statements do not typically include all the information required for a complete set of consolidated financial statements, but selected accounting policies and explanatory notes have been included to explain significant events and transactions in order to understand the changes in the Group's financial position and performance since 31 December 2025.

2/2 Basis of Measurement

The condensed interim consolidated financial statements have been prepared based on the historical cost principle, except for employee defined benefit obligations (end-of-service benefit provision), which are measured at the present value of future obligations using the projected unit credit method, and investments measured at fair value through other comprehensive income. The financial statements have been prepared using the accrual basis of accounting and the going concern assumption.

2/3 Functional and Presentation Currency

The interim condensed consolidated financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Group.

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION (CONTINUED)

2/4 Going Concern

As at 31 March 2026, the Group's accumulated losses amounted to ﷲ 315.24 million, representing 80% of its share capital. In addition, the Group's current liabilities exceeded its current assets, resulting in a working capital deficit of ﷲ 164.89 million. Furthermore, the Group incurred negative cash flows from operating activities amounting to ﷲ 7.42 million. Management has prepared the Group's interim condensed consolidated financial statements on a going concern basis based on the Group's future business plans to generate sufficient positive cash flows to enable it to meet its obligations as they fall due and to continue its operations.

Key assumptions and plans adopted by management to support the going concern assumption:

The Group has prepared a business plan covering the coming years through 2030, as well as an agricultural plan for 2026. This assessment is based on the assumption that the Group's ability to continue as a going concern depends on the successful implementation of the operational recovery plan developed by management. This plan includes the rehabilitation of agricultural assets during 2026, temporary reliance on trading activities to support revenues, and the gradual resumption of agricultural operations starting from 2027.

The plan also includes improving operational efficiency and reducing costs through transitioning to lower-cost energy sources, rationalizing operating expenses, and achieving economies of scale through increased future production levels. In addition, the Group has taken measures to enhance liquidity by restructuring certain investments and generating cash flows to support the execution of the operational plan.

The agricultural plan includes the cultivation of the following crops:

- Onions over an area of 210 hectares.
- Fodder corn cultivated over an area of 1,750 hectares.

The agricultural plan also includes diversifying income sources and expanding commercial activities by focusing on key products such as animal feed, grains, olive oil, and certain types of fruits.

The financing of the agricultural plan is dependent on the potential disposal of part of the Group's investment in Horizon Food Company.

Furthermore, on 1 January 2026, the Company entered into an agreement to lease vineyard farms covering an area of 196 hectares for a period of 10 years, renewable by mutual agreement, with a total lease value of ﷲ 23.35 million. In accordance with the loan agreement granted to the Company by the Agricultural Development Fund (the "Fund"), which is secured by a mortgage over the land, the Fund approved the lease of the aforementioned area, provided that the rental proceeds are remitted to the Fund against the outstanding balance due from the Company.

Management believes that these measures are sufficient to enable the Company to meet its obligations as they fall due and to continue its operations. However, these assumptions are inherently based on future events and are subject to significant uncertainty, which may affect the Company's ability to continue as a going concern.

In addition, at the Board of Directors meeting held on 31 March 2026, approval was granted to reduce the Company's share capital for the purpose of eliminating accumulated losses. The capital reduction amounts to ﷲ 303,282,530, resulting in a post-reduction share capital of ﷲ 88,484,470, through the cancellation of 30,327,853 shares, representing a reduction of 77.41% of the share capital. The capital reduction is subject to obtaining the necessary regulatory approvals and approval of the Extraordinary General Assembly.

On 12 May 2026, the Company's Board of Directors issued a resolution to amend its previous recommendation regarding the reduction of the Company's share capital and submitted a new recommendation to the Extraordinary General Assembly to reduce the share capital by an amount of ﷲ 315,242,400, resulting in the share capital after the reduction amounting to ﷲ 76,524,600, through the cancellation of 31,524,240 shares, representing a capital reduction percentage of 80.47%. The capital reduction is subject to obtaining the approval of the relevant regulatory authorities and the Extraordinary General Assembly.

2/5 New Standards, Amendments to Standards, and Interpretations

New standards and a set of amendments to existing standards became effective as of 1 January 2026 and were disclosed in the Group's annual consolidated financial statements. However, they do not have a material impact on these condensed interim consolidated financial statements of the Group.

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

3. BASIS OF CONSOLIDATION

This interim condensed consolidated financial information as at 31 March 2026 and for the three-month period then ended includes the financial statements of Tabuk Agricultural Development Company ("TADCO") (the "Company" or the "Parent Company") and its subsidiaries (collectively referred to as the "Group"). The reporting date for all subsidiaries is also 31 March 2026.

Subsidiaries are entities over which the Parent Company has control. Control exists when the Parent Company has, directly or indirectly, the power to govern the financial and operating policies of the subsidiary in order to obtain benefits from its activities. The Parent Company controls an investee when it has all of the following elements:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of its returns.

When the Parent Company does not hold the majority of voting rights in an investee, it considers all relevant facts and circumstances in assessing control, including:

- Contractual arrangements with other vote holders;
- Rights arising from voting rights; and
- Potential voting rights.

The interim condensed consolidated financial statements include the financial statements of subsidiaries from the date on which control is obtained until the date control ceases.

The financial statements of subsidiaries are consolidated on a line-by-line basis by adding together similar items of assets, liabilities, income, and expenses. All intra-group balances and transactions, including unrealized gains and losses arising from intra-group transactions, are eliminated in full. Uniform accounting policies are applied for like transactions and events in similar circumstances.

The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company or for a period not exceeding three months from the reporting date, using consistent accounting policies. Adjustments are made to align any differences in accounting policies between subsidiaries and the Parent Company.

Non-controlling interests in the net assets of subsidiaries are presented separately from the Group's equity. Non-controlling interests comprise the portion of net assets at the date of business combination and the non-controlling interest's share of changes in equity since that date. Losses applicable to non-controlling interests are allocated even if this results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The difference between any consideration paid and the carrying amount of the non-controlling interests is recognized directly in equity. Gains or losses arising on disposal of interests in subsidiaries that do not result in loss of control are also recognized in equity.

When the Group loses control or significant influence over a subsidiary, any retained interest is remeasured at fair value, and the resulting gain or loss is recognized in profit or loss. Any amounts previously recognized in other comprehensive income in relation to that entity are accounted for as if the Group had directly disposed of the related assets or liabilities, and are reclassified to profit or loss or transferred directly to retained earnings, as required by the applicable International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia.

Company Name	Commercial registration number	Legal Form	Country of incorporation	Direct ownership percentage as of		Activity
				31 March 2026	31 December 2025	
Masader Agricultural Feed Company*	4030325647	A limited liability Company	Kingdom of Saudi Arabia	60%	60%	Support activities for animal production, Manufacture of concentrated animal feed, Production of salt licks for animal feed, General construction of residential and non-residential buildings Construction of prefabricated buildings on sites, Wholesale of feed and non-medicated feed additives.
Tabuk Agricultural Marketing Company**	3550123534	One person closed joint stock Company	Kingdom of Saudi Arabia	100%	100%	Cultivation of pome and stone fruits, including apples, apricots, cherries, peaches, pears, and plums.
Tabuk Nurseries Company**	3550123535	One person closed joint stock Company	Kingdom of Saudi Arabia	100%	100%	Maintenance and care of parks and gardens for public housing purposes.

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

3. BASIS OF CONSOLIDATION (CONTINUED)

* The Group has waived all its shares in the "Fine Flour Mills Company" (a subsidiary), amounting to 750 shares, in favor of a related party together with all associated rights and obligations. This was in exchange for the establishment of a new company, "Masader Agricultural Feed Company," with a capital of ﷲ 1,250,000, of which the Group holds 60% equivalent to ﷲ 750,000. The commercial registration of the subsidiary was issued on 24 February 2019. The Group's management is still working with the subsidiary's management to complete the procedures for transferring ownership of assets and converting all financial and operational activities under the name of the subsidiary, in accordance with the assignment agreement signed between the owner of the establishment (one of the partners) and the Group.

The total assets of Masader Agricultural Feed Mill Ltd included in these interim condensed consolidated financial statements amounted to ﷲ 18.02 million. In order to safeguard the rights of the shareholders of Tabuk Agricultural Development Company, the Group filed a lawsuit to claim recovery of ﷲ 18 million, which had been provided to the subsidiary in exchange for the partner's waiver of ownership of the factory's assets, in case the transfer of ownership to the subsidiary could not be completed. The claim was rejected.

On 25 September 2024, Tabuk Agricultural Development Company obtained shareholders' approval for the Board of Directors' recommendation to divest its investment in Masader Agricultural Feed Mills Ltd Company through the sale of its entire 60% ownership interest to the partner, Mr. Ahmed Hussein Al-Amri.

Pursuant to the Extraordinary General Assembly held on 10 December 2025, shareholders approved the cancellation of the Ordinary General Assembly resolution dated 25 September 2024, relating to the approval of the Board's recommendation to divest the investment in Masader Agricultural Feed Company by selling the Group's entire 60% shareholding. The Board of Directors was authorized to take whatever actions it deems appropriate in the best interest of the Company.

** Based on the Extraordinary General Assembly resolution dated 11 October 2022, approval was granted to liquidate both Tabuk Nurseries and Landscaping Company and Tabuk Agricultural Marketing Company, and liquidation procedures were initiated. However, on 16 March 2026, the Board of Directors of both companies resolved to suspend the liquidation process in order to reassess the status of both companies and evaluate the possibility of utilizing and reactivating them in a manner that serves the interests of Tabuk Agricultural Development Company.

4. USE OF JUDGMENT, ESTIMATES

The preparation of the interim condensed consolidated financial statements requires management to make judgments and estimates that affect the application of accounting policies to the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The significant estimates made by management in applying the Group's accounting policies and the major sources of estimation uncertainty were consistent with those disclosed in the latest annual consolidated financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

The carrying amount of Property, Plant and Equipment as at 31 March 2026 amounted to ﷲ 149,064,924 (31 December 2025: ﷲ 152,622,378). The movement during the three-month period ended 31 March 2026 mainly represents additions amounting to ﷲ 122,379 and depreciation amounting to ﷲ 3,679,833 (31 March 2025: additions of ﷲ 294,529 and depreciation of ﷲ 3,820,507). Property, plant and equipment include land with a carrying amount of ﷲ 43 million, which is pledged in favor of the Agricultural Development Fund as collateral for a loan granted to the Group (Note 12).

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6. INVESTMENTS**6/1 Investments in companies using the equity method**

The Group has investments in the following companies using the equity method:

	<u>Shareholding (%)</u>	<u>31 March 2026</u> <u>(Unaudited)</u>	<u>31 December 2025</u> <u>(Audited)</u>
Horizon Food Company (Note- 6/1/1)	33.21%	104,117,187	123,890,440
Rakha Company for Agricultural Investment and Development (Note-6/1/2)	21.61%	8,786,742	10,657,868
East Asia Agricultural Investment and Development Company (Note-6/1/3)	28.57%	3,761,029	3,932,081
Gulf Sustainable Energy Technology Company (Note-6/1/4)	50%	-	-
		<u>116,664,958</u>	<u>138,480,389</u>

<u>Description</u>	<u>Horizon Food Company</u>	<u>Rakhaa Agricultural Investment and Development Company</u>	<u>East Asia Agricultural Development and Investment Company</u>	<u>Total</u>
Opening balance	123,890,440	10,657,868	3,932,081	138,480,389
Group's share of profit or loss	1,241,264	(34,741)	(171,052)	1,035,471
Group's share of foreign currency translation differences	-	(755,935)	-	(755,935)
Proceeds from reduction of shareholders' financing	-	(1,080,450)	-	(1,080,450)
Proceeds from sale of shares	(18,996,250)	-	-	(18,996,250)
Total proceeds from investments in associates accounted for using the equity method	(18,996,250)	(1,080,450)	-	(20,076,700)
Losses from sale of shares	(2,018,267)	-	-	(2,018,267)
Closing balance	<u>104,117,187</u>	<u>8,786,742</u>	<u>3,761,029</u>	<u>116,664,958</u>

Horizon Food Company (6/1/1)

On 15 February 2026, pursuant to a resolution of the Board of Directors of Tabuk Agricultural Development Company, approval was granted for the sale of part of the Group's shareholding in Horizon Food Company amounting to 1 million shares at a price not less than ﷲ 35 per share. Until the end of the first quarter of the current year, 542,750 shares had been sold for a total consideration of ﷲ 18.996 million, resulting in the Group's remaining ownership as at 31 March 2026 amounting to 2,657,016 shares, representing a 33.21% ownership interest.

The partial disposal resulted in a loss amounting to ﷲ 2,018,267. The Group also reclassified its related share of the remeasurement reserve of employees' benefit obligations pertaining to the investee company from the remeasurement reserve of employees' benefit obligations to accumulated losses, in proportion to the shares sold. On 9 April 2026, an additional 171,000 shares were sold for a total consideration of ﷲ 5.98 million.

Further, 800 thousand shares of Horizon Food Company owned by the Group have been pledged as security against the loan granted to the Group - Note 12/1.

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6. INVESTMENTS (CONTINUED)

Agricultural Investment and Development (Note-6/1/2)

The Group holds a 27.8% investment amounting to ﷲ 17.50 million in Jenat Agricultural Investment Company, a Saudi limited liability company under liquidation. The full impairment loss on the investment has previously been recognized against the entire carrying amount of the investment.

Jenat Agricultural Investment Company holds a 78% interest in Rakhaa Agricultural Investment and Development Company, an Egyptian joint stock company. Due to liquidation procedures, the Company's 78% interest was transferred to the shareholders, with ownership reallocated in proportion to their respective shares. Accordingly, the Group's direct ownership interest in Rakhaa Agricultural Investment and Development Company became 21.61%.

During 2009, Rakhaa Agricultural Investment and Development Company obtained a loan amounting to ﷲ 100 million, secured by guarantees provided by the shareholders of Jenat Agricultural Investment Company. Due to deficits in the financial statements and the inability of Rakhaa Agricultural Investment and Development Company to settle the loan, the Group recognized its share of the loan amounting to ﷲ 16.47 million against the guarantee provided in favour of the Saudi Fund for Development.

During 2022, the shareholders of Rakhaa Agricultural Investment and Development Company agreed to convert the loan balance recorded in the company's books into a shareholder loan with no financial returns, denominated in Egyptian pounds, and to apply it to offset accumulated losses in order to support the company. This was approved in the Ordinary General Assembly held on July 18, 2022.

On December 30, 2024, and in accordance with a debt assignment agreement, the Saudi Fund for Development approved the shareholders' request in Rakhaa Agricultural Investment and Development Company to transfer the liability from the company to the shareholders. Accordingly, the Group's share of the balance amounting to ﷲ 16.47 million was reclassified from provision for loan guarantees in an associate to loans receivable (Note 12/2).

Pursuant to the Board of Directors' meeting held on November 17, 2025, approval was unanimously granted to distribute an amount of ﷲ 5 million from the shareholders' financing balance to the company's shareholders in proportion to their ownership interests. The Group's share amounting to ﷲ 1,080,450 was received during the first quarter of the year.

East Asia Agricultural Investment and Development Company (Note-6/1/3)

East Asia Agricultural Development and Investment Company was established on May 7, 2013 in the Kingdom of Saudi Arabia with a share capital of ﷲ 70 million. Its activities include agricultural investment and the establishment of agricultural projects for the production of crops, grains, rice, barley, fruits, olives, fodder, and all agricultural and field products, as well as the establishment, operation, and maintenance of food processing factories. It also includes livestock production projects, including cattle and poultry breeding, and the establishment and operation of dairy, meat, and feed production facilities.

During previous years, the Group recognized expected credit losses on its share of the receivable balance from a related party in East Asia Agricultural Development and Investment Company amounting to ﷲ 45.50 million, of which the Group's share amounted to ﷲ 12.99 million.

On May 8, 2024, an amount of ﷲ 8.94 million was collected from the related party receivable through judicial enforcement. Accordingly, a portion of the previously recognized allowance was reversed, representing the Group's share of the recovered amount, which amounted to ﷲ 2.55 million.

On May 26, 2025 and May 27, 2025, amounts of ﷲ 34.50 million and ﷲ 2.06 million, respectively, were collected from the related party receivable through judicial enforcement. Consequently, the remaining allowance was reversed, representing the Group's share of the recovered amounts, which amounted to ﷲ 10.44 million.

Accordingly, the full outstanding receivable balance of ﷲ 45.50 million was fully collected, along with the Group's total share of ﷲ 12.99 million.

Pursuant to the Extraordinary General Assembly meeting held on August 12, 2025, approval was obtained to reduce the paid-up share capital of East Asia Agricultural Development and Investment Company from ﷲ 70 million to ﷲ 15 million. The reduction was approved for the purpose of offsetting accumulated losses amounting to ﷲ 29.30 million as at June 30, 2025.

It was also resolved to refund the excess amount arising from the capital reduction to the shareholders in proportion to their ownership interests, amounting in total to ﷲ 25.70 million. The Group's share of this amount is ﷲ 7.34 million, of which ﷲ 2.28 million has been collected. The uncollected portion amounting to ﷲ 5.06 million has been recorded as a receivable from a related party (Note 9).

Gulf Sustainable Energy Technology Company (Note-6/1/4)

The Group owns a 50% stake in Gulf Sustainable Energy Technology Company (under liquidation) at a value of 250 thousand ﷲ. Impairment losses have been generated in the total value of the investment, and the necessary legal procedures for liquidating the company have been initiated.

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6. INVESTMENTS (CONTINUED)**6/2 Investments at fair value through OCI**

Investments at fair value represent the value of the Group's investment in the National Company for Seed Production and Trade in the amount of 222,400 ﷲ (2025: 222,400 ﷲ), which represents 1.4% of the company's total capital.

7. INVENTORY, NET

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Other spare parts and consumables materials	10,033,016	10,050,710
Fruits	4,553,742	6,809,402
Fertilizers and chemicals	979,439	979,439
Seeds	272,656	1,822,664
Wheat	10,066	87,363
	15,848,919	19,749,578
Less: Provision for inventories	(8,197,901)	(9,715,378)
	7,651,018	10,034,200

7/1 Below is the movement on the inventory provision

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	9,715,378	15,495,548
Impairment of Inventory during the period / year	72,629	3,590,353
Provision / (reversal) for slow-moving and obsolete inventory during the period / year	1,598,765	(468,054)
Used from of inventory provision during the period / year	(1,638,863)	(7,819,715)
Inventory write off during the period / year	(1,550,008)	(1,082,754)
Balance at the end of the period/year	8,197,901	9,715,378

8. BIOLOGICAL ASSET, NET

Biological assets are the costs of seasonal crops at the end of the period / year but not harvested.

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	-	23,826,006
Additions during the period / year	533,427	55,272,827
Transfers to inventory during the period / year	-	(59,002,541)
Impairment during the period / year	-	(20,096,292)
Balance at the end of the period / year	533,427	-

The crops were measured at cost less accumulated depreciation or impairment, in accordance with International Accounting Standard (IAS) 41, based on the inputs used. This approach was adopted due to the inability to measure the crops at fair value, given the absence of an active market for farm crops in the Kingdom of Saudi Arabia, the difficulty in accurately determining the quantities planted, and the lack of observable market data due to significant variations in location, environment, associated costs, and average yield per crop. Additionally, the discounted cash flow method could not be applied due to the seasonal nature and variability of these crops.

During 2025, an impairment loss on biological assets amounting to ﷲ 20,096,292 was recognized due to the absence of an identified agricultural program and the resulting uncertainty regarding future economic benefits, in addition to prolonged drought conditions, fungal disease outbreaks, and severe pest infestation.

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9. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties represent major shareholders, members of the Board of Directors, key management personnel of the Group, and entities controlled or significantly influenced by such parties. The following are the Group's related parties:

Due from Related part	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
East Asia Company for Agricultural Development and Investment	5,060,000	5,060,000
Due to Related party	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
East Asia Company for Agricultural Development and Investment	5,060,000	5,060,000

A) Transactions and balances with a related party are as follows:

Related party	Nature of relationship	Nature of transactions	Volume of transactions during the period/year			
			31 March 2026		31 December 2025	
			(Unaudited)		(Audited)	
			Debit	Credit	Debit	Credit
East Asia Agricultural Investment Company	Investee company	Advance payment for the sale and marketing of agricultural crops	-	-	-	5,060,000
		Reduction of the Company's Capital	-	-	7,342,515	-
		Collection	-	-	-	2,282,515

B) remunerations of the Board of Directors and Executive Management is as follows:

	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
Senior management salaries and allowances	874,569	1,046,723
Board of directors' rewards and allowances	68,707	1,063,426
	943,276	2,110,149

10. CASH AND CASH EQUIVALENTS

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at banks	5,845,901	1,351,071
Cash in investment portfolio*	7,983,744	
Cash on hands	46,396	-
Less: expected credit losses	(6,890)	(6,890)
	13,869,151	1,344,181

*During the period, the Company sold a portion of its investment in the shares of Horizon Food Company (Note 6), The sale resulted in net proceeds that had not been transferred to the Company's bank accounts as at the date of the condensed interim consolidated financial statements, as such proceeds were still retained in the investment portfolio.

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11. DISCONTINUED OPERATIONS

On 25 September 2024, the shareholders of Tabuk Agricultural Development Company approved the divestment and sale of their entire investment in Masader Agricultural Feed Company, representing 60% of the total equity interests of the company, to the partner Mr. Ahmed Hussein Al-Amri for a consideration of ﷲ 7 million.

Pursuant to the Extraordinary General Assembly held on December 10, 2025, shareholders approved the cancellation of the above-mentioned Ordinary General Assembly resolution regarding the divestment of the investment in Masader Agricultural Feed Company, and authorized the Board of Directors to take appropriate actions in this regard.

Up to the reporting date, the transfer of ownership of assets and operational activities to Masader Agricultural Feed Company has not been completed since the inception of the investment.

The net liabilities of the discontinued operation (net investment) in Masader Agricultural Feed Company amounted to ﷲ 3.58 million as at 31 March 2026 (2025: ﷲ 3.55 million).

12. LOANS

Loans consist of the following:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Agricultural Development Fund (12/1)	66,950,909	66,770,385
Saudi Fund for Development (12/2)	16,475,420	16,475,420
	83,426,329	83,245,805
Non-current portion	14,733,909	14,553,385
Current portion	68,692,420	68,692,420
	83,426,329	83,245,805

12/1 The Group obtained a loan from the Agricultural Development Fund on 7 November 2023 amounting to ﷲ 50,500,000, which was fully drawn down to finance the Company's operating activities. The loan was secured by land deed No. 550107011639 included within property, plant and equipment with a carrying amount of ﷲ 43 million. The loan was repayable in a single installment on 7 November 2025; however, payment was not made on the due date. The Company is currently in discussions with the Fund to reschedule the loan.

The Group also obtained a loan from the Agricultural Development Fund on 22 May 2025 amounting to ﷲ 15,000,000, which was fully drawn down to finance the Company's operating activities. The loan was secured by land deed No. 160002826436 included within property, plant and equipment with a carrying amount of ﷲ 43 million. In addition, 800 thousand shares held by the Group in its investment portfolio relating to Horizon Food Company (associate company - Note 6) were pledged as security. The loan is repayable in a single installment on 22 May 2027.

12/2 On 30 December 2024, and pursuant to a debt assignment agreement, the Saudi Fund for Development approved the request of the shareholders of Rakhaa Agricultural Investment and Development Company to transfer the indebtedness to the shareholders instead of the company. Accordingly, the balance relating to Tabuk Agricultural Development Company's share of the provision for loan guarantees in an associate company was reclassified to loans (Note 6).

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13. LOSS PER SHARE

Basic and diluted earnings per share are calculated by dividing the loss attributable to the Company's shareholders by the weighted average number of outstanding shares during the period.

There were no items affecting the dilution of earnings per share; therefore, basic earnings per share equals diluted earnings per share.

	31 March 2026 (Three months)	31 March 2025 (Three months)
Loss attributable to equity holders of the Parent Company	(12,005,986)	(7,102,197)
Loss attributable to equity holders of the Parent Company from continuing operations	(11,900,025)	(7,238,757)
Weighted average number of ordinary shares used as the denominator in the calculation of basic and diluted earnings per share	39,176,700	39,176,700
Basic loss per share attributable to equity holders of the Parent Company	(0.31)	(0.18)
Basic loss per share attributable to equity holders of the Parent Company from continuing operations	(0.30)	(0.18)

14. FINANCIAL RISK MANAGEMENT

Market risk

The Group is exposed to market risk in the form of interest rate risk as shown below. During the review period, there were no changes in these conditions from the previous year.

Foreign currency risk management

The risk of fluctuations in the value of financial instruments arises from changes in foreign exchange rates. The Group is primarily exposed to foreign currency risk from transactions denominated in U.S. Dollars and Egyptian Pounds as a result of fluctuations in exchange rates. The Group is not exposed to foreign currency risk in relation to other currencies, as the Group's functional currency is pegged to the U.S. Dollar. The Group continuously monitors fluctuations in the exchange rate of the Egyptian Pound, and no flotation of the Egyptian Pound occurred during the subsequent period.

Agricultural risk management

Severe operational disruption (fire, flood, etc.) The company is prepared to respond to operational disruptions to minimize losses and remain viable. An effective business continuity plan is continually reviewed and adapted for the changing nature of operational disruptions. Risk assessments are continually performed to identify possible events that could cause significant disruption. Risk of business disruption from floods has been removed through farm design. Farm buildings are constructed in areas that don't have flash floods and are also elevated above ground level.

Climate Change

The Group is subject to short-term and long-term climate change-related risks. These risks are inherent part of operating agriculture. The group continually works to reduce the environmental footprint of the business, in part, due to the inherent risks.

Rising fuel costs and the greenhouse gas emissions associated with fuel and electricity consumption have an impact not only on the environment but also on Company's net profit. Climate change also creates risks for agricultural production through droughts, pests, diseases, etc. that pose challenges for sustaining and increasing production levels.

The Group has developed a sustainability strategy, outlining how it will improve its energy performance through efficient energy consumption and generation from sustainable sources. The strategy focuses on solar power generation, water and energy efficiency, sustainable arable farming practices, landfill waste reduction, the group management has monitored water consumption by installing special meters on wells to monitor water consumption.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)**Liquidity risk**

Liquidity risk represents the difficulties an entity may face in providing funds to meet obligations related to financial instruments. Liquidity risk may arise from the inability to quickly sell a financial asset at an amount close to its fair value. The primary responsibility for managing liquidity risk lies with the Board of Directors, which has established an appropriate framework for managing liquidity risk to address the Group's short-, medium-, and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining sufficient balances and continuously monitoring both expected and actual cash flows, as well as matching the maturities of financial assets and liabilities. Liquidity risk is managed through ongoing monitoring of liquidity levels and ensuring that adequate financial resources are available. Liquidity risk concentration may arise from the repayment terms of financial obligations, sources of funding and borrowing, or reliance on a specific market to obtain liquid assets. Note 2-4 related to going concern.

Credit risk management

Credit risk is the risk that a counterparty will fail to meet its contractual obligations, resulting in a financial loss to the other party. Concentration of credit risk arises when several counterparties are engaged in similar activities, operate in the same geographic areas, or have similar economic characteristics that could cause them to be unable to meet their contractual obligations. To mitigate credit risk, the Group has implemented procedures to manage exposure to credit risk, including assessing the creditworthiness of customers, credit approvals, setting credit limits, and continuously monitoring and following up on the aging of receivables.

Management also continues to monitor the credit risk related to its customers and establishes a provision for expected credit losses. Customer balances are continuously reviewed, and credit limits are adjusted as necessary. Trade and other receivables are primarily due from customers in the local market and have been stated at their estimated recoverable amounts. The Group maintains its cash with local banks that have high credit ratings.

The maximum credit exposure as of the reporting date of the group interim condensed consolidated financial statement is as follows:

Financial assets	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Cash and cash equivalents	13,869,151	1,344,181
Trade receivables, net	306,266	393,140
	14,175,417	1,737,321

Trade receivables aging at the reporting date is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Less than three months	101,428	281,950
More than three months and less than six months	290,924	542,558
More than nine months and less than a year	1,703,488	1,439,033
More than a year	14,475,641	14,311,930
Total before deducting expected credit losses	16,571,484	16,575,471
Provision for expected credit losses	(16,265,215)	(16,182,331)
Trade receivables, Net	306,266	393,140

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Movement for expected credit loss provision as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	16,182,331	12,511,359
Charged during the period / year	82,884	3,670,972
Balance at the end of the period	<u>16,265,215</u>	<u>16,182,331</u>

Fair value of financial instruments

For the purposes of financial reporting, the group used the fair value hierarchy categorized in levels 1, 2, and 3 based on the degree of observance of the inputs in the fair value measurement and the importance of these inputs in measuring the fair value in its entirety, as shown below:

- **Level 1** - Prices traded in an active market for similar assets or liabilities that the company can value at the measurement date (without modification).
- **Level 2** - Inputs other than prices included in Level 1 that can be considered as a value for an asset or liability, either directly (for example, prices) or indirectly (for example, derived from prices).
- **Level 3** - Inputs for assets and liabilities that are not based on observable market information (unobservable inputs).

The Group does not have financial instruments measured at fair value except investment at fair value through OCI, Employee defined benefit obligations, and other financial instruments are carried at amortized cost. As of the date of the consolidated financial statements, the fair value of these instruments approximates the amortized cost that has been taken into account in the financial reports and related disclosures.

15. SEGMENT REPORTING

The information provided to the decision maker responsible for operations for the purpose of allocating resources and evaluating the performance of sectors focuses on the types of goods or services provided. The management of the Group decided to organize the Group according to the differences in the structure of the internal financial report. The Group's operating segments are as follows:

Operational segment	Activities
Feeds	Manufacturing Feed
Vegetable	Planting Vegetables
Fruit	Planting Seasonal fruits
Grains	Grain trading
Other products	Production of olive oil, honey and other products

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15. SEGMENT REPORTING (CONTINUED)

31 March 2026 (Unaudited)	Feeds	Vegetable	Grains	Other products	Total
Revenue*	199,586	7,929	38,584	347,389	593,488
Depreciation and amortization	717,238	28,494	138,657	2,795,444	3,679,833
Net loss for the period**	(2,340,093)	(92,965)	(452,387)	(9,120,541)	(12,005,986)
Total Assets	61,166,946	2,429,994	11,824,804	238,398,957	313,820,701
Total liabilities	46,481,669	1,846,588	8,985,844	181,162,902	238,477,003
31 March 2025 (Unaudited)	Feeds	Vegetable	Grains	other products	Total
Revenue*	733,343	1,276,673	10,564,115	534,973	13,109,104
Depreciation and amortization	213,725	372,073	3,078,797	155,912	3,820,507
Net (loss) / profit for the period**	(474,309)	(825,721)	(6,832,615)	1,021,501	(7,111,144)
Total Assets	14,274,672	24,850,702	205,632,668	144,342,319	389,100,361
Total liabilities	12,093,534	21,053,570	174,212,452	8,822,221	216,181,777

* The group revenue from contracts with customers is through the sale of consumable products. Product control is transferred at a point in time and is sold directly to customers.

** The cost of financing and zakat expenses has not been analyzed at the sector level, as they are linked to the central treasury function, which manages the cash position at the Group level.

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

16. ZAKAT STATUS

- 21/1 The main elements of the Zakat base are as follows:

	Years	Amount (ﷲ)
Final assessments resulting from appellate committee decisions	2014 to 2018	2,925,684
Final assessment from the Zakat and tax authority	2021 to 2022	806,916
Paid during the period		(3,693,114)
Total		<u><u>39,486</u></u>

- The outstanding obligations of the Parent Company as at 31 March 31, 2026 amounted to ﷲ 39,486 in respect of the claims referred to above. In addition, zakat payable by the subsidiaries amounted to ﷲ 25,889.
- The zakat return submitted to the Zakat, Tax and Customs Authority for the year 2023 was subject to review and assessment by the Authority. On 2 July 2025, the Authority issued a closure notice confirming that no adjustments were required.
- The Company submitted its zakat return for the year 2024 based on the financial data provided to its zakat advisor. The Company is not subject to zakat for the year 2024. The year 2024 is currently under review by the Zakat, Tax and Customs Authority, and no preliminary or final assessments have been issued to date. Based on the information provided to the zakat advisor, the estimated zakat calculation for the year 2025 indicates that no zakat is payable.
- Based on the information provided to the zakat advisor for the three-month period ended 31 March 2026, the zakat calculation indicates that no estimated zakat is payable by the Company.

17. LAWSUITS, LEGAL CASES, AND ENFORCEMENT JUDGMENTS

As at the date of preparation of these interim condensed consolidated financial statements, the Company is subject to a number of lawsuits filed against it by various parties relating to certain commercial transactions and operational contracts.

The Group's management is monitoring these cases and taking the necessary legal actions to address their implications. Management will continue to follow up on the developments of these cases and update the related disclosures in subsequent financial periods in accordance with the applicable laws, regulations, and relevant standards.

18. SUBSEQUENT EVENTS

Except for what has been disclosed in Note (2/4) regarding the proposed capital reduction, management believes that no material events have occurred subsequent to the reporting date that would require adjustment to or additional disclosure in these interim condensed consolidated financial statements.

19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the Board of Directors in 25 Dhu al-Qi'dah 1447 (corresponding to 12 May 2026).