

AL-SHARQIYAH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S
REVIEW REPORT**

**FOR THE THREE-MONTH AND NINE-MONTH
PERIODS ENDED ٣٠ SEPTEMBER ٢٠٢٥**

AL-SHARQIYAH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED ٣٠ SEPTEMBER ٢٠٢٥**

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

To the Shareholders of **Al-Sharqiyah Development Company** -A Saudi Joint Stock Company.

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Sharqiyah Development Company, a Saudi joint stock company (the "Company") and its subsidiaries (together "the Group") as at 30 September 2025 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, for the three-month and Nine-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the Nine month period then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards 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 financial statements based on our review.

SCOPE OF REVIEW

We have conducted our review in accordance with International Standard on Review Engagements - 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements 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 audit. Accordingly, we do not express an audit opinion.

CONCLUSION

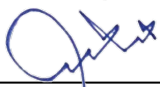
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

EMPHASES OF MATTER

We draw attention to:

- Note 19 of the accompanying interim condensed consolidated financial statements, in respect to the government grant "agriculture lands", that on the date of August 2, 2022, the Company has received the Ministry of Environment Water & Agriculture decision issued on September 30, 2022, which included that the deed cannot be issued in the name of the Company. however, the Company can benefit from the land until the Saudi Aramco Company realizes its actual needs, Management could not identify a useful life for the agricultural land utilization. Our conclusion was not modified with respect of these matters.

For Al-Kharashi & Co.



Abdullah S. Al Msned
License No. (456)

Riyadh, Saudi Arabia
19 Jumada Al-Awwal 1447H
(10 November 2025)



AL-SHARQIYAH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

(All amounts expressed in Saudi Riyals unless otherwise stated)

		As at	
	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment, net	5	54,942,926	47,805,124
Intangible assets, government grant		171,307,811	171,307,811
Intangible assets	6	4,593,266	5,498,443
Investments at fair value through other comprehensive income		3,652,362	3,652,362
Total non-current assets		234,496,365	228,263,740
Current assets			
Trade receivables		48,688,481	17,404,862
prepayments, and other receivables	7	3,946,454	5,202,192
Inventory	8	9,317,327	15,569,288
Investments at fair value through profit or loss	9	61,503,880	20,955,340
Term deposit	10	31,000,000	31,000,000
Cash and cash equivalents	11	22,340,351	110,013,556
Total current assets		176,796,493	200,145,238
Total assets		411,292,858	428,408,978
EQUITY AND LIABILITIES			
Equity			
Share capital	4	300,000,000	300,000,000
Statutory reserve		3,276,667	3,276,667
Fair value reserve		2,226,762	2,226,762
Retained earnings		46,965,672	52,794,038
Total equity		352,469,101	358,297,467
Liabilities			
Non-current liabilities			
Lease liabilities – non-current portion		494,548	253,300
Employee benefits obligations		940,547	622,542
Zakat Provision	16	3,904,445	7,098,991
Total non-current liabilities		5,339,540	7,974,833
Current liabilities			
Short-term loans	12	1,567,480	-
Trade and other payables	13	34,561,690	45,711,299
Lease liabilities –current portion		-	470,337
Due to related parties	15	5,272,383	5,272,383
Accrued dividends to shareholders		1,358,957	1,358,957
Zakat Provision	16	10,723,707	9,323,702
Total current liabilities		53,484,217	62,136,678
Total liabilities		58,823,757	70,111,511
Total equity and liabilities		411,292,858	428,408,978


Chief Financial Officer


Chief Executive Officer


Board Member

The accompanying notes are integrated part of these interim condensed consolidated financial statements.

AL-SHARQIYAH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE THREE- AND NINE-MONTHS PERIOD ENDED SEPTEMBER 30, 2025**
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	For the Three-Months Period		For the Nine-Months Period	
		Ended 30 September		Ended 30 September	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
		SR	SR	SR	SR
Revenue	17	76,600,293	39,043,997	181,434,281	51,525,843
Cost of revenue		(70,697,401)	(35,727,128)	(169,014,618)	(47,565,142)
Gross profit		5,902,892	3,316,869	12,419,663	3,960,701
General and administrative expenses	18	(3,227,887)	(2,246,161)	(9,861,383)	(6,948,137)
Selling and distribution		(4,161,231)	(3,736,033)	(12,098,301)	(3,736,033)
Operating loss		(1,486,226)	(2,665,325)	(9,540,021)	(6,723,469)
Finance expenses		(287,513)	(12,842)	(536,872)	(42,585)
Time deposit returns		273,444	2,715,474	1,032,931	8,883,525
Gains from acquisitions of subsidiaries	1	-	6,034,508	-	6,034,508
Gains from investments in a fund at fair value through profit or loss		951,477	(45,625)	2,548,540	231,701
Gains on investments in local Sukuks		425,940	-	1,167,821	-
Other income (expense)		275,378	(25,072)	899,235	409,469
Profit (loss) for the period before zakat		152,500	6,001,118	(4,428,366)	8,793,149
zakat		(650,000)	-	(1,400,000)	(9,047)
Profit (loss) for the period after zakat		(497,500)	6,001,118	(5,828,366)	8,784,102
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income for the period		(497,500)	6,001,118	(5,828,366)	8,784,102
The basic and diluted (loss) / earnings per share	20	(0.017)	0.20	(0.194)	0.29

Chief Financial Officer

Chief Executive Officer

Board Member

The accompanying notes are integrated part of these interim condensed consolidated financial statements.

AL-SHARQIYAH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

(All amounts expressed in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Fair value reserve	Retained earnings	Total
Balance as at 1 January 2024 (Audited)	300,000,000	3,276,667	5,591,449	56,987,486	365,855,602
Profit for the period	-	-	-	8,784,102	8,784,102
Balance as at 30 September 2024 (Unaudited)	300,000,000	3,276,667	5,591,449	65,771,588	374,639,704
Balance as at 1 January 2025 (Unaudited)	300,000,000	3,276,667	2,226,762	52,794,038	358,297,467
Profit for the period	-	-	-	(5,828,366)	(5,828,366)
Balance as at 30 September 2025 (Unaudited)	300,000,000	3,276,667	2,226,762	46,965,672	352,469,101



Chief Financial Officer



Chief Executive Officer



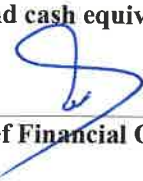
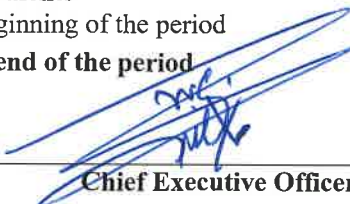

Board Member

The accompanying notes are integrated part of these interim condensed consolidated financial statements.

AL-SHARQIYAH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MOTNHS PERIOD ENDED 30 SEPTEMBER 2025**

(All amounts expressed in Saudi Riyals unless otherwise stated)

	Note	For the Nine-month period ended	
		30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Cash flows from operating activities:			
(Loss) / Profit for the period before zakat		(4,428,366)	8,793,149
Adjustments to reconcile net loss with net cash used in operating activities:			
Depreciation	5.1	3,832,751	601,162
Right-of-use assets depreciation		356,742	356,740
Intangible assets amortization	6	905,177	200,000
Gains from acquisition of subsidiaries		-	(6,034,508)
Loss on disposal of plant & equipment		116,246	-
Finance costs		24,411	38,646
Employee benefit obligations		318,005	135,684
		<u>1,124,966</u>	<u>4,090,873</u>
Changes in working capital items:			
Trade receivables,		(31,283,617)	(14,373,363)
prepaid expenses and other receivables		1,255,738	(11,840,968)
Inventory		6,251,961	(21,672,292)
Trade and other payables		<u>(11,149,609)</u>	<u>37,256,714</u>
		<u>(33,800,561)</u>	<u>(6,539,036)</u>
Zakat paid		<u>(3,194,541)</u>	<u>(3,558,542)</u>
Net cash used in operating activities		<u>(36,995,102)</u>	<u>(10,097,578)</u>
Cash flows from investing activities			
Proceeds from sale of assets		211,994	-
Payments for purchases of property, plant and equipment	5.1	(11,655,537)	(15,586,028)
Investments at fair value through profit or loss		(40,548,540)	(562,703)
Investments in local sukuk		-	(31,000,000)
Term deposit		-	140,000,000
Net cash (used in) / generated investment activities		<u>(51,992,083)</u>	<u>92,851,269</u>
Cash flows from financing activities			
Receipts from short term loans		1,567,480	-
Lease settlement		<u>(253,500)</u>	<u>(147,828)</u>
Net cash generated / (used in) from financing activities		<u>1,313,980</u>	<u>(147,828)</u>
Net change in cash and cash equivalents		<u>(87,673,205)</u>	<u>82,605,863</u>
Cash and cash equivalents at the beginning of the period		110,013,556	63,377,629
Cash and cash equivalents at the end of the period		<u>22,340,351</u>	<u>145,983,492</u>
			
Chief Financial Officer			
			
Chief Executive Officer			
			
Board Member			

The accompanying notes are integrated part of these interim condensed consolidated financial statements.

AL-SHARQIYAH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**
(All amounts expressed in Saudi Riyals unless otherwise stated)

1. GENERAL INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARIES AND THEIR ACTIVITIES

Al-Sharqiya Development Company (the "Company") was founded according to the royal decree No. 406 dated 21 Thu Al-Qa'dah 1406H as a Saudi joint stock company under CR ("CR") No. 200016477 issued in Dammam on 19 Muharram 1407H (corresponding to 21 September 1986). The share capital of the Company was set at 70,000,000 Saudi Riyals, divided into 70,000,000 shares 10 Saudi Riyals each, fully paid.

Referring to note 4, The Company's shareholders at the extraordinary generally assembly meeting held on May 1, 2022 (corresponding to Shawwal 14, 1443H) have approved the share capital increase by SR 220 million. The share capital after shareholders' approval was by SR 220 million.

This condensed consolidated interim financial statement includes the transactions and balances of the following companies:

- Al-Sharqiya Development Company - the holding company.
- Sado Al Arab Trading Company - the subsidiary of Al-Sharqiya Development.
- Al Waset Al Beri Logistics Company the subsidiary of Sado Al Arab Trading.

The principal activities of the Company and its subsidiary (together the "Group"), each of which has a separate commercial register, which operates in investment activities, development activities, and logistic services. AS below, the principal activities of the group:

- a) The main activity of the company is summarized as follows:
 - Agriculture, forestry and fishing. / Construction.
 - Wholesale and retail trade and repair of motor vehicles and motorcycles.
 - Transportation and storage.
 - Accommodation and food service activities.
 - Real estate activities. /Arts, entertainment and leisure.
 - Other service activities, which are represented in the activities of professional membership organizations. Growing vegetables in greenhouses and growing uncovered variegated vegetables.
- b) The main activity of the subsidiary (Sado Arab Trading Company) is:
 - Activities related to food security and logistic services.
- c) The main activity of Al Waseet Al Beri Logistics Company (a subsidiary of Sado Al Arab Trading) In:
 - Goods' land transportations, refrigerated and frozen goods transportation, and operating storage facilities for all types of goods.
- d) The main activity of Earth Field General Contracting Company is a wide range of construction work, from equipment rental and greenhouse installation to the construction and renovation of residential and non-residential buildings, pipe laying, water and sewage network construction, power and heating system installation, finishing and decoration work, furniture installation, and swimming pool construction.

In additions to the above, Interim Condensed financial statements includes the Company's records and the following branch:

<u>Branch name</u>	<u>CR number</u>	<u>Activity</u>
Branch of Al Sharqiyah Development Company - Riyadh	10148322	Management and leasing of owned or leased real estate

AL-SHARQIYAH DEVELOPMENT COMPANY
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**NOTES ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**
(All amounts expressed in Saudi Riyals unless otherwise stated)

1. GENERAL INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARIES AND THEIR ACTIVITIES (CONTINUE)

Details of the Group's subsidiaries are as follows:

Subsidiary and its legal entity	Holding Company	Ownership percentage	Country
Sado Al Arab Trading Co. (Limited Liability Company)	Al-Sharqiya Development	100%	Kingdom of Saudi Arabia
Al Waseet Al Beri Logistics Services Limited Liability Company - One Person	Sado Al Arab Trading	100%	Kingdom of Saudi Arabia
Earth Field Company for General Contracting (Limited Liability Company)	Al-Sharqiya Development	100%	Kingdom of Saudi Arabia

Sado Al Arab Trading Company (a subsidiary of Al-Sharqiyah Development Company):

On 20 February 2020, the Company's management established Sado Al Arab Trading Company - Limited Liability Company (Commercial Register No. 1010980337) issued in Riyadh on 20 February 2020 (corresponding to 10 Shaaban 1442H), with a share capital by SR 100,000, and the Company owns 100% of the share capital of Sado Al Arab Trading Company.

Earth Field Company for General Contracting (a subsidiary of Al-Sharqiyah Development Company):

On 11 March 2020, the Company's management established Earth Field Company for General Contracting - Limited Liability Company (Commercial Register No. 1007210073) issued, with share capital by SR 100,000.

Al Waseet Al Beri Logistics Company (a subsidiary of Sado Al Arab Trading Company):

On 21 July 2020 (corresponding to 10 Muharram 1442H) (the "acquisition date"), Sado Arab Trading Company acquired 100% of the equity capital of Al Waseet Al Beri Logistics Services Company - Limited Liability Company - One Person (Commercial Registration No. 1010808339), issued in Riyadh on 1 February 2020 (corresponding to 10 Rajab 1442H), with a share capital of SAR 100,000. The acquisition value of Al Waseet Al Beri Logistics Company amounted to SR 10,000,000. Sado Al Arab Trading Company acquired all the shares of Al Waseet Al Beri Logistics Company in order to support Sado Arab Trading Company with a fleet of equipped vehicles, and qualified human resources, as well as a valid license for Land goods transportations. The Company has accounted for the acquisition by applying the acquisition method. The condensed consolidated interim financial statements includes all transactions and balances of Waseet Land Logistics that occurred after the acquisition date.

The fair value of the identifiable assets acquired and liabilities assumed at fair value at the acquisition date are as follows:

	Recognised fair value on the acquisition date
<u>Acquired assets</u>	
Property and equipment (vehicles)	10,000,000
Intangible assets (licenses) / other assets	7,034,000
Total Assets	17,034,000
Liabilities Assumed	-
Total Identifiable Net Assets	17,034,000

**NOTES ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**
(All amounts expressed in Saudi Riyals unless otherwise stated)

1. GENERAL INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARIES AND THEIR ACTIVITIES (CONTINUE)

Al Waseet Al Beri Logistics Company (a subsidiary of SADO Al Arab Trading Company) (continued):

The effect of the excess of the net fair value of identifiable assets acquired and liabilities assumed at fair value over the total purchase consideration is as follows:

	Fair value on the acquisition
Total Identifiable Net Assets	21,092,008
Total Purchase Consideration	(10,008,000)
Net gain raised from acquisition process	11,084,008

The cash outflow on acquisition is as follows:

	Amounts by Saudi Riyals
Net cash acquired from Al Waseet Al Beri Logistics Company	-
Accrued cash payable (Note 13)	(10,008,000)
Net cash Payable	(10,008,000)

The fair value of Al Waseet Al Beri Logistics Company has been estimated by a certified evaluator at the Saudi Authority of Accredited Valuers. The fair value was assessed according to the income approach and the discounted cash flow method. As a result of the excess of the net fair value of the identifiable assets acquired and liabilities assumed at fair value at the acquisition date over the total accrued purchase consideration, the Company has recognized it as a gain of SAR 11,084,008 within the condensed consolidated interim statement of profit or loss and other comprehensive income. Subsequent to the reporting date, the Group's management will retrospectively adjust the fair value recognized on acquisition if there is new information about the facts and circumstances that existed at the acquisition date that, if known, would have affected the measurement of the amounts recognized at that date. The retrospective adjustment period will not exceed one year from the acquisition date.

As at the reporting date, the Group achieved a net loss for the nine-month period ended 30 September 2020 of SR 0.8 million (30 September 2019: net profit of SR 1.8 million). The Group generated net cash used in operating activities of SR 36.9 million (30 September 2019: net cash used of SR 10 million). The realization of the net profit at the reporting date is a result of the commencement of operations of the subsidiaries from 1 June 2019 for Sado Arab Trading Company and 11 July 2019 for Al Waseet Al Beri Logistics Company. The Group expects that it will be able to change its current position and continue to implement its long-term strategic plans that focus on a set of future development projects, which are expected to have a significant impact in light of supporting the Kingdom of Saudi Arabia's direction towards implementing the food security plan, in addition to supporting the company's financial position and giving the company better investment opportunities. Therefore, the Group's management conducted a feasibility study for several projects in strategic areas within the agricultural and poultry sector, which are carefully selected to be in line with sustainable growth objectives. This was reflected during the nine-month period ended 30 September 2019 through investments in subsidiaries and the commencement of their planned activity. The Company expects that these strategic plans will have positive expected results which will contribute to improving the Company's financial position and cash flow significantly.

The Company's management has assessed its going concern assumption and based on the Group's approved future plans, management believes that the Group will be able to commence operations and fulfil its obligations as they fall due within the next twelve months after taking into account the basis and results of the approved plan referred to above, and based on the expected results and after providing the necessary liquidity by increasing the Group's capital through a rights issue. Management believes that the Group will be able to commence its planned business in the foreseeable future and therefore the Group will continue for the foreseeable future in accordance with the normal and

**NOTES ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**
(All amounts expressed in Saudi Riyals unless otherwise stated)

**1. GENERAL INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARIES AND THEIR
ACTIVITIES (CONTINUE)**

planned course of business and the going concern principle used in the preparation of this condensed interim financial statements.

As at the reporting date, as a result of the decision of the Ministry of Environment, Water and Agriculture dated 30 June 2020, the Group has not obtained the title deed of the agricultural land on which its future strategic activities will be located, but the Group has been given the right to use the land (refer to Note 19). Management believes that the reclassification of the value of the land within intangible assets (government grants) (non-current) has no impact on the Group's cash flows, nor does it have an impact on the Group's strategic and operational plans and support for future activities.

2. BASIS FOR PREPARATION

Statement of compliance

The interim condensed consolidated financial statements is prepared in accordance with IAS-38 "Interim Financial Reporting" ("IAS 38") that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The interim condensed consolidated financial statements does not include all the information and disclosures required in the annual financial statements. Accordingly, these interim condensed consolidated financial statements are to be read in conjunction with the annual financial statements for the year ended 31 December 2020.

Basis of measurement

These interim condensed consolidated financial statements have been prepared on historical cost basis, unless IFRS that are endorsed in the Kingdom of Saudi Arabia require the use of another measurement basis as indicated in the applied accounting policies, the accrual basis and going concern concept, as mentioned below. of material uncertainty about the Company's ability to continue as a going concern.

Functional and presentation currency

The interim condensed consolidated financial statements are presented in Saudi Arabian Riyals ("Saudi Riyal"), which is the Company's functional currency.

**NOTES ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**
(All amounts expressed in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES

There are no new standards issued, however, a number of amendments to standards are effective from 1 January 2020 and have been disclosed in the Group's annual consolidated financial statements. These amendments do not have a material impact on the Group's condensed consolidated interim financial information.

- a) New IFRS standards, IFRIC interpretations and amendments which became applicable for the current reporting year:

Standards, amendments, interpretations	Description	Effective date
Amendments to IAS 1 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"	Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	January 1, 2020
Amendments to IAS 1 "Presentation of Financial Statements"	Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants	January 1, 2020
Amendments to IFRS 16 "Leases"	Lease Liability in a Sale and Leaseback	January 1, 2020
The adoption of the above amendments doesn't have any material impact on the Company's financial statements during the current year.		

- b) Accounting standards issued but not yet effective:

Standards, amendments, interpretations	Description	Effective date
Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"	Lack of exchangeability	January 1, 2020
Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investment in Associates and Joint Ventures"	Sales or contribution of assets between an investor and its associate or joint venture.	Available for optional adoption/effective date deferred indefinitely
New standard IFRS 18 "Presentation and Disclosure in Financial Statements"	IFRS 18 replaces IAS 1.	January 1, 2020
Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"	Classification and measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7.	January 1, 2020

The Company did not early adopt any new standard, amendments, and interpretations that have been issued but not yet effective.

The accounting policies, estimates and assumptions used in preparing the condensed interim consolidated financial information in accordance with International Accounting Standard 34 'Interim Financial Reporting' adopted in the Kingdom of Saudi Arabia and other standards and issuances issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). are consistent with those used in the preparation of the annual for the year ending December 31, 2020.

Use of Judgments and Estimates:

In preparing this condensed consolidated interim financial information, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited Consolidated Financial Statements.

4. SHARE CAPITAL

The share capital of the parent Company was set at SR 300,000,000 (December 31, 2020: SR 300,000,000) divided into 300,000,000 shares of equal value. The value of each share is 1 Saudi Riyals fully paid.

AL-SHARQIYAH DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

**NOTES ON THE INTERIM CONDENCED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE MOTNHS PERIOD ENDED ٣٠ SEPTEMBER ٢٠٢٥**

(All amounts expressed in Saudi Riyals unless otherwise stated)

٥. PROPERTY, PLANT AND EQUIPMENT, NET

	٣٠ September ٢٠٢٥ SR	٣١ December ٢٠٢٤ SR
Operating fixed assets (note ٥-١)	٥٠,٩٣٧,٢٣٩	٤٣,٨٠٦,٤٦٦
Projects in progress	٣,٤٥٠,٧٤٦	٣,٠٨٦,٩٧٥
Right of use assets	٥٥٤,٩٤١	٩١١,٦٨٣
	<u>٥٤,٩٤٢,٩٢٦</u>	<u>٤٧,٨٠٥,١٢٤</u>

٥-١ Operating Fixed Assets For the year ended September ٣٠, ٢٠٢٥

	Lands	Buildings and constructions	Leasehold Improvements	Machinery and equipment	Motor vehicles	Furniture and fixtures	Total September ٣٠, ٢٠٢٥	Total December ٣١, ٢٠٢٤
<u>Cost:</u>								
At ١ January ٢٠٢٥	-	٤١,٣٤١,٥٣٧	١٢,٠٩٧,٧٨٤	٢,٦٠٣,١٤٦	١٨,٦٨٨,٨٨١	٥,٩٠٧,٩٨٩	٨٠,٦٣٩,٣٣٧	٤٣,٣٦٥,٣٦١
Additions	١١,٢٨٧,٥٠٠	-	-	٢,٠٨٧	-	٢,١٧٤	١١,٢٩١,٧٦١	٣٧,٢٧٣,٩٧٠
Disposal	-	-	-	-	(٣٧٠,٠٠٠)	-	(٣٧٠,٠٠٠)	-
At ٣٠ September ٢٠٢٥	١١,٢٨٧,٥٠٠	٤١,٣٤١,٥٣٧	١٢,٠٩٧,٧٨٤	٢,٦٠٥,٢٣٣	١٨,٣١٨,٨٨١	٥,٩١٠,١٦٣	٩١,٥٦١,٠٩٨	٨٠,٦٣٩,٣٣١
<u>Accumulated depreciation:</u>								
At ١ January ٢٠٢٥	-	٣١,٢٧٨,٤١٦	١٠٠,٦٩٠	١,٩٥١,٨٣٣	٣,٣٢٣,٦٣٥	١٧٨,٢٩٧	٣٦,٨٣٢,٨٧١	٣٢,٨٣٧,٨٨٧
Charge for the period	-	٤٦٨,١٦٣	١,٠٤٩,٨٣٤	٤٩,٣٥٩	١,٨٢٢,٥٥٤	٤٤٢,٨٤١	٣,٨٣٢,٧٥١	٣,٩٩٤,٩٧٨
Disposal	-	-	-	-	(٤١,٧٦٣)	-	(٤١,٧٦٣)	-
At ٣٠ September ٢٠٢٥	-	٣١,٧٤٦,٥٧٩	١,١٥٠,٥٢٤	٢,٠٠١,١٩٢	٥,١٠٤,٤٢٦	٦٢١,١٣٨	٤٠,٦٢٣,٨٥٩	٣٦,٨٣٢,٨٦٥
<u>Net book value:</u>								
At ٣٠ September ٢٠٢٥	١١,٢٨٧,٥٠٠	٩,٥٩٤,٩٥٨	١٠,٩٤٧,٢٦٠	٦٠٤,٠٤١	١٣,٢١٤,٤٥٥	٥,٢٨٩,٠٢٥	٥٠,٩٣٧,٢٣٩	
At ٣١ December ٢٠٢٤	-	١٠,٠٦٣,١١٦	١١,٩٩٧,٠٩٤	٦٥١,٣١٣	١٥,٣٦٥,٢٤٥	٥,٧٢٩,٦٩٨		٤٣,٨٠٦,٤٦٦

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۶. INTANGIBLE ASSETS

(Refer to Note ۱), as a result of the acquisition of Al Waseet Al Berri by Sado Al Arab Trading Company (a subsidiary), intangible assets consisting of the value of the license and other intangible assets amounting to SR ۶,۰۳۴,۰۰۸.

	۳۰ September ۲۰۲۵ (Unaudited)	۳۱ December ۲۰۲۴ (Audited)
Cost		
Balance at ۱ January	۶,۰۳۴,۰۰۸	-
Additions	-	۶,۰۳۴,۰۰۸
Balance as at period end	۶,۰۳۴,۰۰۸	۶,۰۳۴,۰۰۸
<u>Accumulated Amortization</u>		
Balance at ۱ January	۵۳۶,۰۰۸	-
Charge for the year	۹۰۵,۱۷۷	۵۳۶,۰۰۸
Balance as at period end	۱,۴۴۱,۲۴۲	۵۳۶,۰۰۸
Net book value as at ۳۰ September ۲۰۲۵	۴,۵۹۳,۲۶۶	-
Net book value as at ۳۱ December ۲۰۲۴	-	۵,۴۹۸,۴۴۳

۷. PREPAYMENTS, AND OTHER RECEIVABLES

	۳۰ September ۲۰۲۵ (Unaudited)	۳۱ December ۲۰۲۴ (Audited)
Value add tax	۱,۱۰۴,۱۴۷	۳,۴۲۷,۱۱۶
Prepaid expense	۱,۸۱۳,۸۸۳	۱,۳۴۰,۹۴۹
Accrued revenues	۷۲۴,۶۵۱	۲۰۵,۰۰۳
Staff receivables	۲۰۳,۶۲۹	۲۰۳,۶۲۹
Others	۱۰۰,۱۴۴	۲۵,۴۹۵
	۳,۹۴۶,۴۵۴	۵,۲۰۲,۱۹۲

۸. INVENTORY

	۳۰ September ۲۰۲۵ (Unaudited)	۳۱ December ۲۰۲۴ (Audited)
Frozen and fresh chicken	۹,۲۵۸,۲۸۸	۱۵,۵۰۴,۳۴۷
Spare parts	۵۹,۰۳۹	۶۴,۹۴۱
	۹,۳۱۷,۳۲۷	۱۵,۵۶۹,۲۸۸

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9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Mutual Funds	6,087,810	2,182,406
Investment portfolios	916,070	772,934
	<u>61,503,880</u>	<u>20,900,340</u>

10. INVESTMENTS IN LOCAL SUKUK

Investments in local Sukuk amounting to SAR 31 million consists of a Sukuk with Al Rajhi Bank with a yield of 0.10%, which is credited to the current account on a monthly basis.

11. CASH AND CASH EQUIVALENTS

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Cash at banks	2,340,301	3,271,190
Short term deposits	20,000,000	10,742,361
	<u>22,340,301</u>	<u>11,013,551</u>

Cash at banks and short-term deposits are placed with counterparties that have high credit reliability. Short term deposits are placed with local with an original maturity of less than three months from the date of placement and earn commission income at an average rate of 0.20% to 6.60%.

12. SHORT TERM LOANS

One of the subsidiaries obtained short-term loans from local banks to finance working capital. These loans bear interest at commercial rates and are repayable in installments over the term of the agreement. This agreement is available for drawdown and use until January 31, 2021, and these loans are secured by guarantees against deposits held by the holding company. The outstanding balance as of September 30 amounted to SAR 1,067,480.

13. TRADE AND OTHER PAYABLES

	30 September 2020 (Unaudited)	31 December 2019 (Audited)
Trade payables*	31,000,044	42,097,136
Accrued employee related costs	242,750	1,339,000
Accrued vacation and tickets	1,106,388	719,720
Remunerations for members of the board and other committees	80,630	83,866
Accrued professional fees	60,000	60,000
Advance from lessees	160,699	54,694
Accrued GOSI expenses	510,788	28,301
Other	1,340,386	1,328,132
	<u>34,061,695</u>	<u>45,911,299</u>

* With reference to Note (1), payables include the amount due for SADO Arab Trading Company's acquisition of Al Waseet Al Beri Logistics Company worth SAR 0,019,333.

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١٤. SEGMENTAL INFORMATION

Consistent with the Group's internal reporting process, business segments have been approved by management in respect of the Group's activities. The Group's unaudited sales, net (loss)/profit, assets and liabilities, by business segment, are as follows:

	Sado Al Arab Trading Company (A subsidiary of Al Sharqiya Development Company)					Earth Field Company for General Contracting	Inter-Group Eliminations	Total
	Al-Sharqiya (Holding Company)	Sadu Al Arab	Al Waseet Al Barri Logistics Company (A subsidiary of Sadu Al Arab Trading Company)					
For the Nine-month ended September ٣٠, ٢٠٢٥								
Revenue	-	١٧٩,٤٦٤,١٩٥	٣,٦١٨,٧٣٦	-	(١,٦٤٨,٦٥٠)	١٨١,٤٣٤,٢٨١		
Cost Revenue	-	(١٦٨,٤٧٢,٨٤٣)	(٢,١٩٠,٤٢٥)	-	١,٦٤٨,٦٥٠	(١٦٩,٠١٤,٦١٨)		
Net loss	(٦٤١,٧٦٧)	(٤,٠٦٢,٤٤٢)	(٤٧٤,١٥٧)	-	-	(٥,١٧٨,٣٦٦)		
Total assets	٣٨٤,١٨٠,٨١٥	٩٩,٥١٢,٣٨٠	١٤,٤٢٦,٦٤٦	١٠٠,٠٠٠	(٨٦,٩٢٦,٩٨٣)	٤١١,٢٩٢,٨٥٨		
Total liabilities	٢٥,١٥١,١٧١	١٠٤,٠٠٩,٢٣٤	٦٨٢,٣٣٥	١٠٠,٠٠٠	(٧١,٧٦٨,٩٨٣)	٥٨,١٧٣,٧٥٧		
For the Nine-month ended September ٣٠, ٢٠٢٤								
Revenue	-	٥٠,٣٣٥,٩١١	١,١٨٩,٩٣٢	-	-	٥١,٥٢٥,٨٤٣		
Cost Revenue	-	(٤٦,٨٠٨,٨٧١)	(٧٤٦,٠٣٣)	-	-	(٤٧٦٠٦,١٤٢)		
Net loss	٢,٧٢٤,٨٨٢	٥,٩٨٣,١٩٠	٧٦,٠٣٠	-	-	٨,٧٨٤,١٠٢		
Total assets	٣٩١,٤٦٣,٣٩٣	٤٩,٧٨٠,٠٩٩	١٦,٤٠٤,٨٦١	-	(٢٠,٠٤٦,٧٠٥)	٤٣٧,٦٠٢,١٤٨		
Total liabilities	٢٢,٩٨٢,٩٠٦	٣٨,٩٣٤,١٩١	١,٠٤٥,٣٤٧	-	-	٦٢,٩٦٢,٤٤٤		

١٥. DUE TO RELATED PARTIES

Transactions with related parties are represented in the transactions with associate companies, non-executive board members and senior management, where senior management officers are considered, persons exercising authority and responsibility in directly or indirectly planning, managing and monitoring the Company's activities, including managers.

Due to related parties are as follows:

	٣٠ September ٢٠٢٥ (Unaudited)	٣١ December ٢٠٢٤ (Audited)
Due to priority rights holders	٩,٢,١ ٥,٢٧٢,٣٨٣ ٥,٢٧٢,٣٨٣	٥,٢٧٢,٣٨٣ ٥,٢٧٢,٣٨٣

During ٢٠٢٣, the Company has increased its share capital by the way of offering tradable Rights to its shareholders. As per Saudi Exchange tradeable Rights regulations, If the sale price of the rump shares is higher than the offering price, the difference, if any, will be distributed to holders of tradable Rights who did not subscribe to their Rights by their ownership percentage.

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١٦. ZAKAT

The company submitted a request to pay the outstanding balance of ١٥,٩٧٢,٧٢٩ on December 31, 2023, and received approval for the installment plan on ١٠/٠٢/١٤٤٦ AH, corresponding to August 14, 2024. The plan involves paying 20% of the amount, equivalent to ٣,١٩٤,٥٤٦ Saudi Riyals, with the remaining balance to be paid in 36 equal monthly installments of ٣٥٤,٩٤٩ Saudi Riyals each, starting from ١٢/٠٣/١٤٤٦ AH, corresponding to September 10, 2024.

As of the date of the financial statements, 13 installments of the down payment have been paid.

The movement in the Zakat allocation for the period ending September 30 is as follows:

	30 September 2020 (Unaudited)	30 September 2024 (Unaudited)
Balance at the beginning of the year	١٦,٤٢٢,٦٩٣	١٥,٩٧٢,٧٢٩
Amounts charged during the year	١,٤٠٠,٠٠٠	٥,٠٧٣,٣٥٣
Amounts paid during the year	(٣,١٩٤,٥٤١)	(٤,٦٢٣,٣٨٩)
Balance on December 31	١٤,٦٢٨,١٥٢	١٦,٤٢٢,٦٩٣
Non- current portion	٣,٩٠٤,٤٤٥	٧,٠٩٨,٩٩١
Current portion	١٠,٧٢٣,٧٠٧	٩,٣٢٣,٧٠٢

١٧. REVENUE

	30 September 2020 (Unaudited)	30 September 2024 (Unaudited)
Net sales from finished goods	١٧٩,٤٦٤,١٩٥	٥١,٥٢٥,٨٤٣
Rental income	١,٩٧٠,٠٨٦	-
Total	١٨١,٤٣٤,٢٨١	٥١,٥٢٥,٨٤٣

١٨. GENERAL AND ADMINISTRATIVE EXPENSES

	30 September 2020 (Unaudited)	30 September 2024 (Unaudited)
Depreciation	٤,٧٣٧,٩٢٨	٦٧٥,٦٧٩
Employee salaries and benefits	٣,١٨٧,١١٨	٣,٤٩٣,١٢٥
Allowances and remunerations for members of the Board of Directors and other committees	٨٧٧,٥٨٣	١,٥٥٠,٩٢١
Fees and subscriptions	٣٠٥,٥١٧	٤٤٤,٨٢٣
Professional fees and advice	٢٦٤,٢٤٨	٤٠١,٧٤٢
Rent	٣٢,٨٣٣	٢٦٨,٣٣٤
Depreciation on right of use assets	٣٥٦,٧٤٢	-
Maintenance and fuel	٣٠,٨٩١	٥٤,٤١١
Other	٦٨,٥٢٣	٥٩,١٠٢
	٩,٨٦١,٣٨٣	٦,٩٤٨,١٣٧

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١٩. RESTRICTED GOVERNMENT GRANTS

on August ٢, ٢٠٢٢, the Company has received a decision issued by the Ministry of Environment, Water and Agriculture (the "Ministry") No. ٣٦١٠٢٩/٢٧/١٤٤٣ issued on Dhu al-Hijjah ١, ١٤٤٣ H (corresponding to September ٣٠, ٢٠٢٢), in respect to the land's value (Government grant), which was previously classified on December ٣١, ٢٠٢١ along with property, plants and equipment as agricultural land (Government Grant) pursuant to Royal Decree No. ١٠١٦ dated Jumada Al Thani ٣, ١٤٠٦ AH (corresponding to February ١٢, ١٩٨٦), where the Ministry's decision included the following:

- ١) The land that was allocated in favor of the company, pursuant to Royal Decree No. ١٠١٦ dated Jumada Al-Thani ٣, ١٤٠٦ AH (corresponding to February ١٢, ١٩٨٦), and the issuance of the ownership decision No. ٣٢١٤٥٠/١٠٦٢/١٤٤١ dated Jumada Al-Awwal ٦, ١٤٤١ AH (corresponding to January ١, ٢٠٢٠) to own the company an area of ٧٢,١٧٨,٧٠٠ square meters of land handed over to the company has become among the reservations of Saudi Aramco under Royal Decree No. ٤٠٠٨ dated Jumada Al-Thani ٢٨, ١٤٤٣ AH, and it is not legally possible to issue a deed in the name of the company to conflict with the terms of the concession agreement concluded between the government and Saudi Aramco.
- ٢) The company can benefit from the land until the actual need of Saudi Aramco in it is fulfilled, and then take what is required by law in this regard.
- ٣) In the event that the land or part of it is released by Saudi Aramco in accordance with the necessary regulatory procedures in this regard, the government agencies - each within its jurisdiction - take what is necessary to issue a deed in the name of the company - if it was legally existing at that time on the area of the land or part of it.

In accordance with the above, the company's board of directors is closely following all the recent developments mentioned above regarding the procedures for owning the relevant land, and the delay in issuing the company's title deed for the concerned land, as the company's management believes that according to the above-mentioned items, the company can use of the concerned land and the establishment of its future projects, and it has no monetary impact on the company, (with reference to Note ١) the company reclassified the value of the land previously registered on December ٣١, ٢٠٢١ within property, plants, and equipment as agricultural land (government grant) according to the ownership order No. ٣٢١٤٥٠/١٠٦٢/١٤٤١ dated Jumada ٦, ١٤٤١ AH (corresponding to January ١, ٢٠٢٠) to become among the intangible assets (Government Grant) at the same value. Referring to note (١), The entity did not obtain any information for the expected useful life for the intangible asset (government grant). The company's management believes that the above-mentioned Ministry's decision will not affect the company's future plans.

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20. BASIC AND DILUTED EARNINGS (LOSSES) PER SHARE

Basic earnings (losses) per share is calculated by dividing the net profit (loss) for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings (loss) per share is calculated by dividing the net profit (loss) for the period by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	September 30, 2020 (unaudited)	September 30, 2019 (unaudited)
Issued ordinary shares as at 1 January	30,000,000	30,000,000
Adjusted rights issue / bonus element	-	-
Weighted average number of ordinary shares	30,000,000	30,000,000

The basic and diluted earnings /(losses) per share are as follows:

	September 30, 2020 (unaudited)	September 30, 2019 (unaudited)
Net profit /(losses) for the period	(5,828,366)	8,784,102
Weighted average number of ordinary shares	30,000,000	30,000,000
Basic and diluted earnings per share	(0.195)	0.29

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21. FINANCIAL RISK MANAGEMENT

The financial instruments presented in the interim statement of financial position list consist of bank balances, prepaid expenses and accrued expenses.

Interest rate risk

The Company manages interest rate risk through the use of fixed-rate debt and deposits, the Company does not have any assets and liabilities at variable interest rates, and management believes that the impact on the loss of the period resulting from the increase or decrease in interest rates are immaterial.

Credit risk

Credit risk is the risk that one party will fail to fulfill its obligation and cause the other party to incur a financial loss. The Company is subject to credit risk on its bank accounts. And the management monitor and control the credit risk on ongoing basis.

Liquidity risk

It is a risk that the Company will not be able to fulfill its obligations. As expressed in note 9, the management has reasonable expectations of the existence of various funding sources to cover the liquidity risk in the near future. If the company is unable for any reason to continue operating, this may have an impact on the Company's ability to realize the assets at recognized fulfill obligations in the normal course of business in the amounts mentioned in the attached interim condensed financial statements.

Currency risk

The risk of changes in the value of financial instruments due to changes in foreign exchange rates. The management monitors foreign currency fluctuations and believes that the Company is not substantially exposed to currency risk since the Company's principal transactions are denominated in Saudi Riyals.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. When estimating the fair value of an asset or a liability, the company must consider the characteristics of the asset or liability if market participants take those characteristics into account when pricing the asset or liability at the measurement date. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

22. COMPARITIVE FIGURES

Some of the prior- period figures have been reclassified to conform to the current period's presentation.

23. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTSXX

The interim condensed consolidated financial statements was approved on the date of ١٤ Jumada Al-Awwal ١٤٤٧H (٥ November 2020).