

**SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

**SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

<u>Table of Contents</u>	<u>Page</u>
Independent Auditor's Report	1-5
Consolidated Statement of Financial Position	6
Consolidated Statement of Profit or Loss and Other Comprehensive Loss	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10-52

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY
A LISTED JOINT STOCK COMPANY

(1 /5)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

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

We have audited the consolidated financial statements of the Group, which comprise the following:

- The consolidated statement of financial position as at 31 December 2025;
- The consolidated statements of profit or loss and other comprehensive loss for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended; and
- The notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent from the Group in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Group's consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.4.1 in the consolidated financial statements, which states that the Group's current liabilities exceed its current assets by SR 13.527 million (2024: 60.43 million) which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY
 A LISTED JOINT STOCK COMPANY**

(2 /5)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

KEY AUDIT MATTERS (continued)

Key Audit Matters	How our audit addressed the key audit matter
Impairment Assessment of Capital Work in Progress	
<p>The Group's major assets—Capital Work in Progress (CWIP)—relate to its farm, which remained non-operational as at year-end. This constituted an indicator of impairment and required significant management judgment in assessing recoverability. CWIP was tested for impairment under IAS 36 (Impairment of Assets) by estimating recoverable amounts.</p> <p>Management engaged an external valuation expert, applying the market approach where comparable transactions were available and the cost approach where market data was limited. These methodologies involve significant management judgment, including:</p> <ul style="list-style-type: none"> • The selection of comparable market transactions, • Estimation of replacement costs adjusted for depreciation and obsolescence, and • Assumptions regarding the farm's future operational status <p>Due to the estimation uncertainty and judgment involved, we identified this as a key audit matter.</p> <p>Refer to Note 5 (accounting policies) and Note 7 (CWIP) in the consolidated financial statements.</p>	<p>We have obtained the impairment tests provided by management and performed the following significant procedures:</p> <ul style="list-style-type: none"> • Evaluated the competence, independence, and objectivity of the external valuation expert engaged by management. • Engaged our valuation specialists to assess the appropriateness of the valuation methodologies applied, ensuring the market and cost approaches were suitable for determining the recoverable amount. • Assessed whether the selected comparable market transactions under the market approach were relevant and reflective of the asset type and market conditions. • Verified that appropriate adjustments were made for differences in location, asset condition, and utility in the market approach. • Evaluated the reasonableness of replacement cost estimates under the cost approach, ensuring they are appropriate. • Performed substantive procedures to test the accuracy and completeness of the input data provided to the external valuer, including asset details, historical costs, and condition assessments. • Assessed whether the disclosures in the consolidated financial statements comply with IAS 36 (Impairment of Assets) and IFRS 13 (Fair Value Measurement), ensuring transparency in key assumptions and the valuation approach.

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY
A LISTED JOINT STOCK COMPANY**

(3 /5)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OTHER INFORMATION

Other information consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY
A LISTED JOINT STOCK COMPANY

(4 /5)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY
A LISTED JOINT STOCK COMPANY

(5 /5)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PKF Al-Bassam
Chartered Accountants



Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337
Riyadh, Kingdom of Saudi Arabia
13 Ramadan 1447H
Corresponding to: 02 March 2026



SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at 31 December	
		2025	2024
ASSETS			
Non-current assets			
Property, plant, and equipment	6	3,346,027	78,221,629
Capital work in progress	7	19,716,351	23,569,125
Investment properties	8	42,129,402	41,683,054
Right-of-use assets	9	207,517	8,419,752
Total non-current assets		65,399,297	151,893,560
Current assets			
Inventories	10	-	1,194,410
Trade receivables	12	-	226,336
Prepayments and other assets	13	3,312,029	14,316,202
Investments carried at FVTPL		83,357	20,155
Cash and cash equivalents	14	13,680,468	10,565,890
		17,075,854	26,322,993
Assets classified as held for sale	11	61,350,751	-
Total current assets		78,426,605	26,322,993
TOTAL ASSETS		143,825,902	178,216,553
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	66,986,040	400,000,000
Accumulated losses		(17,877,937)	(325,539,870)
Actuarial reserve		1,179,170	1,097,063
TOTAL EQUITY		50,287,273	75,557,193
LIABILITIES			
Non-current liabilities			
Long-term borrowings	16	-	2,670,510
Employees' post-employment benefits	17	1,548,125	2,738,125
Lease liabilities	9	36,671	10,495,585
Total non-current liabilities		1,584,796	15,904,220
Current liabilities			
Long-term borrowings - current portion	16	15,232,093	21,195,709
Trade and other payables	18	48,603,605	30,666,783
Shareholder's compensation and subscription to priority right shares	19	13,394,314	13,394,314
Lease liabilities – current payable	9	1,057,883	5,533,356
Provision for zakat	21	13,665,938	15,964,978
Total current liabilities		91,953,833	86,755,140
TOTAL LIABILITIES		93,538,629	102,659,360
TOTAL EQUITY AND LIABILITIES		143,825,902	178,216,553
Contingencies and commitments	22		

The accompanying notes 1 to 36 form part of these consolidated financial statements.

Chairman of the Board of
Directors

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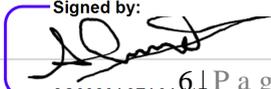
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Chief Executive Officer

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Chief Financial Officer

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SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2025	2024
Revenue	23	4,077,794	19,042,570
Cost of sales	24	(2,091,406)	(24,162,285)
Loss on fair valuation of biological assets		-	(827,768)
Gross profit / (loss)		1,986,388	(5,947,483)
Selling and distribution expenses	25	(4,047,637)	(10,994,397)
General and administrative expenses	26	(21,059,461)	(26,208,494)
Reversal / (provision) for impairment of trade receivables and other assets	12,13	356,242	(3,540,048)
(Provision) / reversal for impairment of non-financial assets	29	(7,577,534)	7,572,491
Provision for obsolete inventory	10	(1,667,116)	(2,232,878)
Reversal / (provision) for impairment of advance to suppliers	13	124,773	(3,208,633)
Net fair value gain on investment properties	8	446,348	1,386,438
Other income	27	7,604,508	8,617,903
Operating loss		(23,833,489)	(34,555,101)
Finance cost	28	(1,145,706)	(4,563,499)
Net loss before zakat		(24,979,195)	(39,118,600)
Zakat	21	(372,832)	(1,876,699)
Net loss for the year		(25,352,027)	(40,995,299)
<u>Other comprehensive income / (loss):</u>			
<i>Items that will not be reclassified subsequently to the statement of profit or loss:</i>			
Actuarial gain on employees' post-employment benefits	17	82,107	280,323
Total comprehensive loss for the year		(25,269,920)	(40,714,976)
Basic and diluted loss per share for the year - adjusted	30	(3.78)	(6.12)

The accompanying notes 1 to 36 form part of these consolidated financial statements.

Chairman of the Board of Directors

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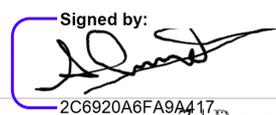
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Chief Executive Officer

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Chief Financial Officer

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**SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)**

<u>2024</u>	Note	Share capital	Accumulated losses	Actuarial reserve	Total
Opening balance as at 1 January 2024 -(Restated)		400,000,000	(284,544,571)	816,740	116,272,169
Net loss for the year		-	(40,995,299)	-	(40,995,299)
Other comprehensive income		-	-	280,323	280,323
Total Comprehensive (loss) / income for the year		-	(40,995,299)	280,323	(40,714,976)
Closing balance as at 31 December 2024		400,000,000	(325,539,870)	1,097,063	75,557,193
<u>2025</u>		Share capital	Accumulated losses	Actuarial reserve	Total
Opening balance as at 1 January 2025		400,000,000	(325,539,870)	1,097,063	75,557,193
Impact of Capital reduction	15	(333,013,960)	333,013,960	-	-
Net loss for the year		-	(25,352,027)	-	(25,352,027)
Other comprehensive income		-	-	82,107	82,107
Total comprehensive (loss) / income for the year		-	(25,352,027)	82,107	(25,269,920)
Closing balance as at 31 December 2025		66,986,040	(17,877,937)	1,179,170	50,287,273

The accompanying notes 1 to 36 form part of these consolidated financial statements.

Chairman of the Board of Directors

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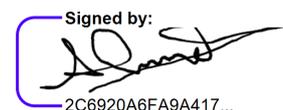
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Chief Executive Officer

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Chief Financial Officer

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SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES			
Net loss for the year before zakat		(24,979,195)	(39,118,600)
Adjustments for non-cash items			
Depreciation of property, plant and equipment	6	6,689,873	9,326,280
Finance cost	28	1,145,706	4,563,499
(Reversal) / provision for impairment of advance payment to suppliers	13	(124,773)	3,208,633
(Reversal) /provision for impairment of trade receivables	12	(356,242)	2,860,925
Provision for obsolete inventory	10	1,667,116	2,232,878
Depreciation of right-of-use assets	9	853,749	1,653,404
Provision for employees' post-employment benefits	17	425,475	838,452
Loss on fair valuation of biological assets		-	827,768
Derecognition of lease liability	9	(33,730)	38,676
Settlement gain on end of service benefits	17	(201,640)	(275,858)
Income from restricted cash deposits		-	(1,325,433)
Net change in fair value on investment properties	8	(446,348)	(1,386,438)
Gain on disposal of property plant and equipment	6	(3,506,504)	(4,295,061)
Provision / (Reversal) for impairment of non-financial assets	29	7,577,534	(7,572,491)
Fair value gain on investment carried at FVTPL		(24,412)	-
Gain on reassessment of Lease	27	(1,001,494)	-
(Increase) / decrease in operating assets			
Inventories		(472,706)	5,647,274
Trade receivables		582,578	1,723,817
Biological assets		-	1,207,584
Prepayments and other assets		11,128,946	(2,019,905)
Increase / (decrease) in liabilities			
Trade and other payables		17,936,822	(1,946,382)
Cash generated from / (used in) operating activities			
		16,860,755	(23,810,978)
Employees post-employment benefits paid	17	(1,430,598)	(2,567,085)
Zakat paid	21	(2,671,872)	(500,000)
Net cash generated from / (used in) operating activities			
		12,758,285	(26,878,063)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from the redemption of deposits		-	44,328,979
Proceeds from disposal of property plant and equipment		4,570,502	13,448,698
Proceeds from restricted cash deposits		-	1,304,601
Purchase of property, plant and equipment	6	(19,780)	(139,024)
Investment in equity shares carried at FVTPL		(38,790)	-
Net cash generated from investing activities			
		4,511,932	58,943,254
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of long-term borrowings	16	(7,925,500)	(40,000,000)
Proceeds from long-term borrowings	16	-	19,000,000
Finance cost paid	16	(1,213,296)	(2,378,602)
Lease liability paid	9	(5,016,843)	(1,187,749)
Shareholders' compensation to priority right shares paid	19	-	(19,961)
Net cash used in financing activities			
		(14,155,639)	(24,586,312)
Net change in cash and cash equivalents during the year			
		3,114,578	7,478,879
Cash and cash equivalents at the beginning of the year	14	10,565,890	3,087,011
Cash and cash equivalents at the end of the year			
	14	13,680,468	10,565,890
Supplemental non-cash information			
Derecognition of impairment on the sold assets	6.1	-	1,880,763

The accompanying notes 1 to 36 form part of these consolidated financial statements.

Chairman of the Board of Directors

Chief Executive Officer

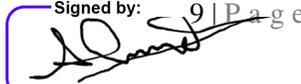
Chief Financial Officer

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SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND OPERATIONS

The Saudi Fisheries Company, a Listed Joint Stock Company (the “Company”), was established in accordance with the provisions of the Companies Law issued by the Royal Decree No. M / 6 dated 22 Rabi Al-Awwal 1385H and its amendments, and in accordance with Ministerial Resolution No. 67 of 30 Rabi Al-Thani 1400H after being licensed under Ministerial Order No. 10 Ramadan 1398H, which included establishing a fishing Company (a joint stock Company).

The Company engages in marine fishing, marine fishing in international waters, marine life fishing (for the investor), marine aquaculture in marine waters, shrimp farming in the seas, wholesale sale of fish and aquaculture, retail sale of fish and other seafood and its products. Under license from the Ministry of Environment, Water and Agriculture No. 7090184811 dated 25 Shawwal 1441H corresponding to 16 June 2020.

The Company is registered in the Kingdom of Saudi Arabia (“KSA”) and its head office is located in Riyadh under Commercial Registration No. 1010042732 and unified number 7000677091 dated 9 Jumada Al-Awwal 1401H corresponding to 14 March 1981.

The consolidated financial statements include the Company’s branches as follows:

Branch name	Unified No	Place of issue	Date
Jizan	7012384678	Jizan	22 Dhul Hijjah 1401 H
Riyadh	7000677091	Riyadh	22 Rabi Al-Awwal 1402 H
Dammam	7012298142	Jeddah	09 Jumada Al Oula 1401 H

The following are the details of the subsidiaries:

Name of Subsidiary	Unified Number	Location	Principal Activities	Effective Ownership
National Dates Company	7051600000	Saudi Arabia	Palm cultivation and dates production Drying and packing dates and manufacture of their products	100%
Al-Haridha National Aquaculture Company	7012235615	Saudi Arabia	Agriculture, aquaculture and fishing. Whole sale and retail trade of fishes and shrimps	100%

During the year, the Group incorporated the National Dates Company (Subsidiary) and Al-Haridha National Aquaculture Company. Both are limited liability companies registered in Saudi Arabia, in which the Group holds 100% of the issued share capital.

As at 31 December 2025, the authorized and issued share capital of both subsidiaries amounted to SAR 100,000. However, the share capital had not been paid by the Group as at the reporting date and no activities has been commenced.

2. BASIS OF PREPARATION

2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and professional Accountants (“SOCPA”) (collectively referred to as “IFRS that are endorsed in KSA”).

2. BASIS OF PREPARATION (CONTINUED)

2.2. Basis of measurement

These consolidated financial statements have been prepared in accordance with the historical cost basis, except for the following:

- a) Investment in equity instruments is measured at fair value.
- b) Assets classified as held for sale are measured at lower of carrying value and fair value less cost to sell.
- c) Investment properties are measured at fair value.
- d) Employees' post-employment benefits recognized at the present value of future obligations using the Projected Unit Credit Method.

2.3. Functional and presentation currency

These consolidated financial statements have been presented in Saudi Riyals (SAR) which is the Group's functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

2.4. Significant accounting judgements, estimates and assumptions.

In preparing these consolidated financial statements, management has used judgments, if any, and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. A revision of accounting estimates is recognized in the period in which the estimates are revised if the revision affects only that period, or in the revision period and future periods if the revision affects both current and future periods.

2.4.1. Judgements

Going concern

The Group's current liabilities exceed current assets by the SAR 13.527 million (2024: SAR 60.432 million) which indicates that a material uncertainty exists. The Group has implemented various measures to enhance its business model and address the uncertainties. Management has taken several strategic steps to increase the Group's trade business, improve operational efficiency, and ensure the Group's sustainability.

Capital Restructuring and Rights Issue

During the year, the Group implemented a capital restructuring plan aimed at strengthening its financial position and restoring compliance with regulatory requirements. As part of this plan, the Group reduced its share capital by SAR 333.01 million to absorb accumulated losses and improve the capital structure. Subsequently, as a part of ongoing restructuring efforts the Board of Directors recommended a capital increase through a rights issue amounting to SAR 334.93 million, subject to obtaining the necessary regulatory and shareholder approvals. Upon completion, the capital increase is expected to enhance the Group's equity base, improve liquidity, and support the execution of its strategic transformation plan.

The proposed proceeds from the rights issue are intended to:

- Strengthen the Group's working capital position;
- Settle outstanding current and non-current liabilities; and
- Fund the development and commencement of operations of the National Dates Company and other strategic initiatives.

As at 31 December 2025, the application for the capital increase was under review by the Capital Market Authority (CMA), and management expects to receive approval in due course based on the advanced stage of the regulatory process.

2. BASIS OF PREPARATION (CONTINUED)

2.4.1. Judgements (continued)

Strategic Restructuring and Investments

Al-Haridha National Aquaculture Company

A key pillar of Saudi Fisheries Group's transformation is the strategic partnership now in place with Sara National Trading Company via the aquaculture project housed in its newly established aquaculture subsidiary. Under the agreement signed on 29 October 2025, the Group entered into an agreement to sold a 51 % controlling interest in the aquaculture entity (Al-Haridah National Aquaculture Company) to Sara National Trading Company, along with associated land-lease rights, licenses, production infrastructure, assets and contracts subject to obtaining regulatory approvals.

This transaction supports the following:

- It reduces operational burden on Saudi Fisheries by transferring liabilities and risk associated with the aquaculture project to a partner with dedicated expertise.
- It provides a cash injection of SAR 33 million which can be deployed to support current operations.
- The commitment of liquidity support and structured milestones improves assurance of ongoing viability of the aquaculture entity rather than the Group carrying the project unsupported.
- The alignment with national aquaculture targets and a partner focused on scale and efficiency raises the probability of improved long-term cash flow from the project, reducing the risk of stranded assets.

National Dates Company

During the year ended 31 December 2025, the Group announced the Board of Directors' approval to establish a wholly owned limited liability subsidiary, "National Dates Company" as part of its strategic diversification and growth plan.

Use of Proceeds Execution and Strategic Expansion

The subsidiary is planned to operate as a fully integrated dates production and processing company, encompassing farming, processing, packaging, and downstream commercialization. The project is strategically aligned with the Group's broader objective of revenue diversification, optimal utilization of underutilized land and infrastructure assets, and reduction of reliance on the traditional fishing and aquaculture segments. This initiative is also fully consistent with the approved use of proceeds under the Group's ongoing capital increase, where a portion of the injected capital is earmarked to support high-potential agri-food projects with sustainable cash flow generation. Management believes that the dates project will contribute to improving operational resilience, enhancing long-term profitability, and strengthening the Group's financial sustainability, thereby supporting business continuity and long-term value creation.

Management Conclusion

The Group's management conclude on its ability to continue as a going concern and is satisfied that it shall continue its operations in the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis and do not include any adjustments, which may be required, if the Company is not able to continue as a going concern. Management remains confident in the Group's ability to meet its obligations and continue operating as a going concern This confidence is supported by the successful execution of key strategic initiatives, continued access to financial resources, and the sustained backing of major stakeholders.

A major milestone in this direction is the Board of Directors' recommendation to increase the Group's capital by SAR 334.93m through a rights issue, for which the application has already been submitted to the Capital Market Authority. The proposed capital increase is expected to strengthen SFC's financial position, enhance liquidity, and provide the foundation for future growth and business continuity.

In parallel, Saudi Fisheries Company has executed a strategic partnership with Sara National Trading Company through its newly established aquaculture subsidiary, Al-Haridha National Aquaculture Company. This partnership integrates the Group's industry experience with Sara National's operational and technical expertise, ensuring efficient production, improved cost management, and sustainable profitability. The transaction represents a major step in reducing operational risks and enhancing the liquidity and financial resilience of the aquaculture segment.

2. BASIS OF PREPARATION (CONTINUED)

2.4.2. Judgements (continued)

Impairment of non-financial assets

A non-financial asset is considered impaired when its carrying amount exceeds its recoverable amount, which is determined as the higher of its fair value less costs to sell or its value in use. The fair value of the asset is primarily determined using the market approach, which considers recent market transactions for similar assets conducted on a purely commercial basis, adjusted for any directly attributable selling costs. In cases where observable market prices are not available, the cost approach may be applied, reflecting the asset's replacement cost adjusted for depreciation and obsolescence.

The recoverable amount is particularly sensitive to key assumptions, including the availability of comparable market data and the assessment of asset-specific factors affecting fair value. Any significant estimates and assumptions applied in determining impairment, if applicable, are disclosed in Note 6 (Property, Plant, and Equipment) and Note 7 (Capital Work in Progress) to these financial statements.

Fair value measurement and valuation process

Certain Group's assets and liabilities are measured at fair value for financial reporting purposes. The Group's management is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The related estimates and assumptions if any, are disclosed in note 6 (property, plant and equipment), note 7 (capital work in progress), note 8 (investment properties) and note 9 (right-of-use assets) to these financial statements.

2.5. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary (collectively referred to as "the Group") as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its return.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in consolidated statement of profit or loss and other comprehensive income. Any investment retained is recognized at fair value.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Group's consolidated financial statements except for where referenced below:

New amendments to standards issued and applied effective 1 January 2025

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IAS 21	Lack of Exchangeability	1 January 2025	<p>The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.</p>	Management has assessed the adoption of these amendments and concluded that they did not have a material impact on the Group's financial position, financial performance, or cash flows for the current reporting period

4. NEW STANDARDS, AMENDMENTS, AND REVISED IFRS ISSUED BUT NOT YET EFFECTIVE

The Group has not applied the following new and revised IFRS standards and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management assessment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	<p>The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7</p>	Management has performed a preliminary assessment and does not expect the adoption of these amendments to have a material impact on the Group's financial statements, as the Group's financial instruments and settlement arrangements are not expected to be significantly affected.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

4. NEW STANDARDS, AMENDMENTS, AND REVISED IFRS ISSUED BUT NOT YET EFFECTIVE
(CONTINUED)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management assessment
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	Based on the nature of the Group's operations and contractual arrangements, management does not expect these amendments to have a material impact on the Group's financial statements upon initial application.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Group's financial position, financial performance or cash flows.
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently in the process of assessing the impact of IFRS 18.

5. MATERIAL ACCOUNTING POLICIES INFORMATION

5.1. Property, plant and equipment and intangibles

Property, plant and equipment are recognized in principle at the cost of acquisition, including any costs directly attributable to returning the assets to the site and the condition necessary to enable them to operate in the manner intended by the Group management. These assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

When the major components of items property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged on statement of profit or loss and other comprehensive income and calculated on a straight-line basis over the estimated useful lives of each item of property, plant and equipment (except for land) as follows:

<u>Description</u>	<u>Years</u>
Buildings and ponds	5 to 30
Factory equipment	5 to 20
Vessels and fishing equipment	20
Vehicles	4 to 10
Furniture and Fixtures	5 to 10
Software and computer accessories	10

If there is an indication that there has been a significant change in the useful life or residual value of an item, future depreciation is revised to reflect the new estimates.

An item of property, plant and equipment and any significant part that is recognized initially is derecognized when it has been disposed of or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Items such as spare parts, auxiliary equipment and servicing equipment, if any, are recognized in accordance with this IFRS when they meet the definition of property, plant and equipment. Otherwise, these items are classified as inventories.

Intangible assets other than goodwill are measured at cost, less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and amount can be measured reliably. Intangible assets' residual values, useful lives and impairment indicators are reviewed at each financial year end and adjusted prospectively, if considered necessary.

5.2. Capital work in progress

Capital Work in Progress is recorded according to acquisition cost plus all direct costs that are incurred on them to bring them to location and condition necessary to enable the Group to have these assets ready for intended use. These assets are transferred to relevant assets categories and are depreciated once they are available for their intended use.

5.3. Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. For further details of the judgment and assumptions made, refer to note 8.

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.4. Impairment of non-financial assets

At each reporting date, the non-financial assets are reviewed to determine whether there is an indication that those assets have incurred an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of similar assets), is estimated and compared to its carrying amount. If the estimated recoverable amount is less than the carrying amount, the carrying amount is reduced to its estimated recoverable amount, and the impairment loss is recognized immediately in the statement of profit or loss.

Impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is greater than its fair value less costs of disposal and value in use.

Similarly, at each reporting date, inventories are assessed for any impairment by comparing the carrying amount of each inventory asset (or group of similar assets) to its selling price less costs to complete and sell. If there is a decrease on one of the inventory assets (or group of similar assets), its carrying amount is reduced to the selling price less the costs necessary to complete and sell, and the impairment loss is recognized immediately in the statement of profit or loss.

When the impairment loss entry is subsequently reversed, the carrying amount of the assets (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and selling, in the case of inventory), provided that the carrying amount does not increase in excess of the carrying amount that would have been determined had no impairment loss been recognized for those assets for the previous year. The reversal of the impairment loss is recognized immediately in the statement of comprehensive income or comprehensive loss.

5.5. Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.5. Leases (continued)

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

5.6. Inventories

Inventories includes finished goods, raw materials, packaging and consumable materials and spare parts, and it is stated at cost or net realizable value whichever is lower. Cost includes the cost of materials and all expenditures directly related to the manufacturing process as well as the appropriate amount of other costs, based on normal operating capacity. The cost of finished goods includes the cost of raw materials, labour and appropriate general production overheads. The cost of inventories is determined using the weighted average method.

The net realizable value consists of the estimated selling price during the normal course of business after deducting additional production costs for completion and selling and marketing expenses.

The Group reviews the carrying value of the inventories regularly, and when needed, the inventories is reduced to the net realizable value.

5.7. Non-current assets held for sale

Non-current assets classified as held for sale includes the non-current assets in property plant and equipment and capital work in progress.

These assets are measured at the lower of carrying amount and fair value less costs to sell.

The Group records Non-current assets as held for sale only if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.8. Financial Instruments

5.8.1. Financial Assets

Initial measurement

At initial recognition, the Group recognizes the financial asset at its fair value.

Subsequent measurement

After initial recognition financial assets can be measured at Amortized cost, Fair value through other comprehensive income (“FVOCI”) or Fair value through profit and loss (“FVTPL”), if any.

Financial Asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Financial asset at FVOCI

Debt Instruments

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Equity Instruments

On initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in FVOCI. This election is made on an investment-by-investment basis.

Financial Asset at FVTPL

All other financial assets are classified as measured at FVTPL (for example equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the year after the Group changes its business model for managing financial assets.

Business model assessment

The Group assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and the information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning a contractual profit, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.8. Financial Instruments (Continued)

5.8.1. Financial Assets (Continued)

- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of financings in prior years, the reasons for such financings and its expectations about future financings activity. However, information about financing activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessments whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Profit' is the consideration for the time value of money, the credit and other basic financing risks associated with the principal amount outstanding during a particular year and other basic financing costs (e.g., liquidity risk and administrative costs), along with profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to the cash flows from specified assets (e.g., non-recourse asset arrangements); and
- features that modify consideration of the time value of money- e.g., periodical reset of profit rates.

De-recognition of financial assets

A financial asset or a part of a financial asset is de-recognized when:

- The right to receive cash flows from the asset have expired, or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement: and either:
 - a) The Group has transferred substantially all the risks and rewards of the asset, or
 - b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset

Modification

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, The Group recalculates the gross carrying amount of the financial asset and recognize a modification gain or loss in the statement of comprehensive income. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.8. Financial Instruments (Continued)

5.8.1. Financial Assets (Continued)

Reclassifications

Financial assets are reclassified when the Group changes its business model for managing financial assets. For example, when there is a change in management's intention to hold the asset for a short term or long term. Financial liabilities are not reclassified.

Impairment

The Group assesses on a forward-looking basis the lifetime expected credit losses associated with its financial assets carried at amortized cost. For receivables, the Group applies the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognized from the initial recognition of account receivables. The Group uses a provision matrix in the calculation of the expected credit losses on receivables to estimate the lifetime expected credit losses, applying certain provision rates to respective contractual past due aging buckets. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. The provision matrix was developed considering the probability of default and loss given default which was derived from historical data of the Group is adjusted to reflect the expected future outcome which includes macro-economic factors.

Other financial assets such as employees' receivables, bank balances have low credit risk. The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts and the impact of applying ECL is immaterial.

(i) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking-into-account any collateral held by the Group) Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(ii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event (see (i) above)
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for that financial asset because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL, for financial assets measured at amortized cost, are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

Write-off

Financial assets are written off only when:

- (i) there is no reasonable expectation of recovery, and
- (ii) write off is approved by the board of directors.

Where financial assets are written off, the continues to engage in enforcement activities to attempt to recover the receivable due. Where recoveries are made, after write-off, are recognized as other income in the statement of profit or loss.

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.8. Financial Instruments (Continued)

5.8.2. Financial Liabilities

Classification of financial liabilities

The Group designates a financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed, and its performance is evaluated on a fair value basis.

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 12 months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Initial measurement

At initial recognition, the Group recognizes the financial liability at its fair value.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the amortization process.

De-recognition of financial liabilities

Financial liabilities are derecognized when the obligations specified in the contract is discharged, canceled or expires. A substantial change in the terms of a debt instrument is considered as an extinguishment of the original liability and the recognition of a new financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment.

Modification

For financial liabilities, if an exchange or change in the terms of a debt instrument does not qualify for de-recognition it is accounted for as a modification of the financial liability. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

5.8.3. Fair value hierarchy of financial instruments

Offsetting financial assets and liabilities

Financial assets and liabilities are offset so that the net amount reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

The Group classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

Level 1

The fair value of financial instruments quoted in active markets is based on their quoted closing price at the statement of financial position date. Examples include exchange-traded commodity derivatives and other financial assets such as investments in equity and debt securities.

Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.8. Financial Instruments (Continued)

5.8.3. Fair value hierarchy of financial instruments (continued)

Level 3

The fair value of financial instruments that are measured on the basis of entity-specific valuations using inputs that are not based on observable market data (unobservable inputs).

5.8.4. Effective interest method

The effective interest method is a method of calculating the amortized cost of financial asset and liability and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

5.9. Cash and cash equivalents

Cash and cash equivalents include cash in banks and bank deposits with original maturity of three months or less. It also includes bank overdrafts that are an integral part of the Group's cash management and are likely to fluctuate from overdraft to positive balances.

5.10. Equity reserves

The share capital represents the nominal (nominal) value of the shares that have been issued. Accumulated losses include all current and prior period losses. All transactions with the owners of the Group are recorded separately within equity.

5.11. Provisions

A provision is recognized if, as a result of past events, it appears that the Group has a present legal or contractual obligation whose amount can be estimated reliably and that it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

5.12. Contingent liabilities

All possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence one or more uncertain future events that are not under the full control of the Group, or all current obligations arising from past events but not established for the following reasons:

- there is no possibility that an outflow of resources embedded in the economic benefits will be required to settle the obligation, or
- the obligation amount cannot be measured sufficient reliability; they all must be evaluated at each statement of financial position and disclosed in the Group's consolidated financial statements as possible liabilities.

5.13. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Assumptions are removed from the statement of financial position when the obligation specified in the contract is discharged, canceled or expires. Borrowings are classified as a current liability when the remaining maturity date is less than 12 months.

5.14. Employees' post-employment benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare, child education allowance, furniture allowance that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.14. Employees' post-employment benefits (continued)

Employees' post-employment benefits

The liability or asset recognized in the statement of financial position in respect of defined benefit. The plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Defined benefit costs are categorized as follows:

Service cost

Service costs include current service cost and past service cost are recognized immediately in the statement of profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs.

Interest cost

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expense in the statement of profit or loss.

Re-measurement gains or losses

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

5.15. Zakat

According to ZATCA terms the Group is subject to zakat. Zakat provision of the Group is recognized and charged in the statement of profit or loss and other comprehensive income. Additional zakat liabilities are calculated, if any, which relate to assessments of previous years by the ZATCA and income in the period in which the final assessments are issued.

5.16. Finance cost

Borrowing costs directly attributable to acquisition, construction or production of qualifying assets are capitalized over a period of time necessary to complete and prepare the asset for its intended use or sale. Other finance costs are expensed in the period in which they are incurred and are recorded as 'finance expenses'. Finance costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

5.17. Revenue recognition

Revenue is recognized when the Group fulfils its obligations in contracts with customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the standard provides a five-step approach for revenue recognition:

Step one: identify the contract(s) with customers.

Step two: identify the performance obligations in the contract.

Step three: Determine the transaction price.

Step four: Allocate the transaction price to each performance obligation in the contract.

Step five: Recognize revenue when a performance obligation is satisfied.

Revenue is recognized upon satisfying the performance of contractual obligations, when control over the goods or services is transferred to the customer to be able to use them for the intended purpose and without restrictions or to benefit from the services rendered under the contract.

The main source of the Group 's revenues from contracts with customers include retail sales.

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.17. Revenue recognition (continued)

Retail

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Group records sales returns and sales discounts on an incurred basis, as per its policy. The Group does not offer any variable discounts, and no sales returns are accepted based on expiry.

The Group records sales return and sales discounts on an incurred basis, in accordance with the policy. The Group does not offer any variable discounts, and sales returns are not accepted upon expiration.

5.18. Selling, Distribution, General and Administration Expenses

Selling, Distribution, General and Administration Expenses include direct and indirect costs not specifically part of Cost of Sales. Allocations between Cost of Sales and Selling, Distribution, General and Administration Expenses, when required, are made on a consistent basis. The Group recognizes the marketing support from vendors in the selling and distribution expenses on an accrual basis

5.19. Government grant

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized under other income in the statement of comprehensive income for the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

5.20. Earnings per share

The Group presents basic and diluted earnings per share (if any) for the common share. Basic earnings per share are calculated from net profit or loss by dividing the profit or loss attributable to ordinary equity holders of the Group by the weighted average number of common shares outstanding during the year, adjusted by the number of ordinary shares repurchased or issued during the year. Diluted earnings per share are adjusted by the profit or loss attributable to common equity holders of the Group and the weighted average number of shares outstanding during the year with the effect of all of the common shares that are likely to be issued.

5.21. Value added tax

Revenues, expenses and assets are recognized after deducting VAT, except for:

When the VAT incurred in connection with the purchase of assets or services is non-refundable from ZATCA, in this case, the transaction tax is recognized as part of the cost of purchasing the asset or as part of the expense's items, where applicable; and Receivables and payables that are included with the transaction tax amount.

The net amount of VAT recoverable from, or payable to, ZATCA as part of purchase asset or expenses items in statement of financial position.

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

5.22. Transactions and balances in foreign currencies

Transactions in foreign currencies are converted into Saudi Riyals using the exchange rate prevailing on the date of the transactions. Foreign exchange profits and losses resulting from the settlement of these transactions and from remeasurement of monetary items denominated in foreign currency at the rates prevailing at the end of the year are recognized in the statement of profit or loss and other comprehensive income. Non-monetary items are not retranslated at the end of the year and are measured at historical cost (they are translated using the exchange rates on the date of the transaction), except for non-monetary items at fair value, which are translated using the exchange rates at the date on which the fair value was determined.

5.23. Segmental Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments operating results are reviewed regularly by the Group's Chief Executive Officer to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

a) Operational segment

The analysis of sectors according to activities is represented in farming, wholesale, retail and others.

b) Geographical segment

The Group has no geographical sectors, as all revenues from the Group's activities are made within the Kingdom of Saudi Arabia, and therefore there are no geographical sectors to be disclosed.

5.24. Dividends

Dividends are recorded in the consolidated financial statements in the period in which they are approved by the general assembly.

Interim dividends are recorded as liability in the period in which they are approved by the Board of Directors.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

	2025						
	Land, buildings and ponds	Factory equipment	Vessels and fishing equipment	Vehicles	Furniture and fixtures	Software and computer accessories	Total
<u>Cost</u>							
1 January 2025	152,898,732	41,441,353	17,547,055	4,345,831	3,545,227	3,145,962	222,924,160
Additions during the year	-	9,390	-	-	-	10,390	19,780
Disposal during the year	(2,203,822)	(253,279)	(7,989,156)	-	-	-	(10,446,257)
Transferred to assets classified as held for sale (Note – 11)	(139,123,259)	(29,703,398)	(11,520,181)	(1,708,619)	(1,634,784)	(33,029)	(183,723,270)
Transfers (Note – 6.10)	(3,161,731)	-	3,161,731	-	-	-	-
31 December 2025	8,409,920	11,494,066	1,199,449	2,637,212	1,910,443	3,123,323	28,774,413
<u>Accumulated depreciation</u>							
1 January 2025	80,725,943	30,342,195	11,033,770	3,847,720	3,140,093	1,601,573	130,691,294
Depreciation for the year	4,151,913	1,484,267	35,947	331,915	234,591	451,240	6,689,873
Disposal during the year	(2,203,822)	(238,075)	(6,940,362)	-	-	-	(9,382,259)
Transferred to assets classified as held for sale (Note -11)	(77,261,684)	(22,030,933)	(4,074,194)	(1,552,643)	(1,469,828)	(21,286)	(106,410,568)
31 December 2025	5,412,350	9,557,454	55,161	2,626,992	1,904,856	2,031,527	21,588,340
<u>Accumulated impairment</u>							
Less: Accumulated Impairment	1,219,984	1,917,541	267,123	4,845	-	430,553	3,840,046
<u>Net book Value</u>							
31 December 2025	1,777,586	19,071	877,165	5,375	5,587	661,243	3,346,027

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2024						
	Land, buildings and ponds	Factory equipment	Vessels and fishing equipment	Vehicles	Furniture and Fixtures	Software and computer accessories	Total
<u>Cost</u>							
1 January 2024	193,954,168	136,548,474	31,185,156	8,659,448	8,581,181	3,144,475	382,072,902
Additions during the year	-	90,235	47,302	-	-	1,487	139,024
Write off (Note -6.8)	(28,697,513)	(70,527,901)	-	(2,187,414)	(3,982,110)	-	(105,394,938)
Disposal during the year	(12,357,923)	(24,669,455)	(13,685,403)	(2,126,203)	(1,053,844)	-	(53,892,828)
31 December 2024	152,898,732	41,441,353	17,547,055	4,345,831	3,545,227	3,145,962	222,924,160
<u>Accumulated depreciation</u>							
1 January 2024	117,250,260	121,561,347	14,120,181	7,738,362	7,493,519	1,454,711	269,618,380
Depreciation for the year	5,543,404	2,165,677	172,997	391,253	553,895	499,054	9,326,280
Write off (Note -6.8)	(28,697,513)	(70,527,901)	-	(2,187,414)	(3,982,110)	-	(105,394,938)
Disposal during the year	(13,370,208)	(22,856,928)	(3,259,408)	(2,094,481)	(925,211)	(352,192)	(42,858,428)
31 December 2024	80,725,943	30,342,195	11,033,770	3,847,720	3,140,093	1,601,573	130,691,294
<u>Accumulated impairment</u>							
Less: Accumulated Impairment	13,199,805	731,801	19,440	17,509	3,889	38,793	14,011,237
<u>Net book Value</u>							
31 December 2024	58,972,984	10,367,358	6,493,845	480,601	401,246	1,505,595	78,221,629

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation charge for the year has been allocated as follows:

	Note	2025	2024
Cost of sales	24	-	3,155,807
Selling and marketing expenses	25	268,152	874,460
General and administrative expenses	26	6,421,721	5,296,013
		6,689,873	9,326,280

6.1. Movement of impairment

	Note	2025	2024
Balance at the beginning of the year		14,011,237	21,819,000
Provision / (Reversal) for impairment on property plant and equipment during the year	29	5,790,760	(5,927,000)
Derecognition relating to sold assets		-	(1,880,763)
Reclassification of impairment to assets held for sale		(15,961,951)	-
Balance at the end of the year		3,840,046	14,011,237

6.2. The Group's buildings, factory and facilities are constructed on land which are leased from the government of Kingdom of Saudi Arabia. Right-of-use assets for the same are duly created. Please refer note 9.

6.3. Property, plant and equipment include assets having gross carrying amount of SAR 34.225 million which are fully depreciated but are still in use.

6.4. Land, buildings and ponds include a land in Qatif, with a book value of SAR 1 million as of 31 December 2024 and 31 December 2025 is mortgage to the Saudi Agricultural Development Fund against the borrowings granted to finance the shrimp cultivation and breeding project. Please refer note 17.

6.5. Depreciation is allocated based on the assets tagged with the related cost centers on actual basis.

6.6. Intangible assets are not presented separately on face of the statement of financial position as the amounts are not material.

6.7. During the year 2024, indicator of impairments was observed due to non-operations of farm, among other factors which causes the management to conduct the impairment tests to evaluate the recoverable amount of the assets, which resulted in recording the impairment reversal related to those assets.

6.8. During the year ended 31 December 2024, Jizan Municipality has demolished the Group 's facilities located in Jizan which results in write off of assets having net book value of SAR Nil (gross amount of SAR 105.4 million) based on the approval of board of directors.

6.9. An amount with the cost of 3.1 million is reclassified under vessel and fishing equipment from Land building and ponds.

Properties	Valuation methodology	Purpose	Carrying value at 31 December 2025	Recoverable amount as at 31 December 2025	Provision for Impairment net of reversal for 2025 *
Property plant and equipment	Market approach / Cost approach	Impairment assessment	5,174,000	3,829,000	2,719,710

Key Assumptions:

Cost Approach (Level 3):

- Replacement cost new or reproduction cost.
- Indirect indexation method (Producer price index)
- Functional Obsolescence :10%
- Economic Obsolescence: 20%
- Duration of idle period: 3years

Market Approach (Level 2):

Market Behavior and buyer sentiments consistent with IFRS 13 fair value hierarchy Level 2 inputs

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* The cumulative impairment balance does not necessarily equal the current difference between carrying amount and recoverable amount, as impairment is assessed at each reporting date on an individual asset basis, and the carrying amount is subsequently affected by depreciation and any impairment reversals.

Key inputs include full physical inventory count, client fixed asset register, supplier cost data, Market data inspection records, Engineering inputs and producer price Indices.

Measurement data of fair value according to IFRS 13 as at 31 December 2025 is as follows:

The name and qualifications of the valuer performed evaluation of the property, plant and equipment are as follows:

Name of valuers	RQEEM
Valuer's qualifications	Licensed (TAQEEM)

The valuer is independent to the Group and the valuation conforms to International Valuation Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Taking into considering the valuation technique and key inputs utilized by the valuator, the valuation is categorized at Level 2 (for market approach) and Level 3 (for cost approach) of the fair value hierarchy of IFRS 13.

There has been no change to the valuation technique during the year.

7. CAPITAL WORK IN PROGRESS

	<u>2025</u>	<u>2024</u>
<u>Cost</u>		
1 January	39,710,633	39,710,633
Additions during the year	-	-
Balance at the end of the year	39,710,633	39,710,633
<i>Less: Provision of impairment</i>	<i>(19,994,282)</i>	<i>(16,141,508)</i>
31 December	19,716,351	23,569,125

7.1. The details of closing capital work in progress are as follows:

	<u>Note</u>	<u>2025</u>	<u>2024</u>
<u>Feed Mill Project</u>			
- Farm	7.2	17,839,184	17,839,184
- Building		7,969,771	7,969,771
- Machinery and spares		9,397,259	9,397,259
		35,206,214	35,206,214
<u>Other Projects</u>			
Other projects		4,504,419	4,504,419
		39,710,633	39,710,633
Less: provision for impairment		<i>(19,994,282)</i>	<i>(16,141,508)</i>
Balance at the end of the year		19,716,351	23,569,125

7.2. The feed mill project was initiated several years ago; however, it has not yet been completed or become operational as at the reporting date. During the year ended 31 December 2025, the management has conducted the impairment tests to evaluate the recoverable amount of the assets, which resulted in recording the net impairment losses related to those assets.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

7. CAPITAL WORK IN PROGRESS (CONTINUED)

7.3. These assets are utilized within the Group's reportable segment, 'Farm'. The impairment review resulted in the recognition of a net impairment loss of SAR 3.852 million, which has been recorded in profit or loss. The Group estimated the fair value less costs of disposal of the capital work-in-progress (CWIP) assets. This estimate was determined based on recent market prices of comparable assets with similar age and condition, including considerations of obsolescence. Where observable market data was not available, a cost approach was applied. The fair value less costs of disposal was considered the recoverable amount of the relevant assets. Accordingly, the CWIP assets were measured at their recoverable amount of SAR 18.916 million, which represents their carrying value as at the year-end.

7.4. Movement of impairment

	Note	2025	2024
Balance at the beginning of the year		16,141,508	17,786,999
Provision / (reversal) for impairment	29	3,852,774	(1,645,491)
Balance at the end of the year		19,994,282	16,141,508

Measurement data of fair value according to IFRS 13 as at 31 December 2025 is as follows:

Properties	Valuation methodology	Purpose	Key inputs and percentages	Carrying value at 31 December 2025	Recoverable amount as at 31 December 2025	Impairment / (Reversal) of provision for 2025 *
Feed farm	Market Value / Cost Approach	Impairment assessment	Physical depreciation: 39.1% Functional Obsolescence: 8.0% Economic Obsolescence: 35.4%	6,052,655	6,000,070	52,585
Building	Cost Approach	Impairment assessment	Total area :8950 m ² Factory Building: SAR 1,600 / m ² Steel Structures: SAR 400 / m ² Professional Fees: 3% Management Cost:3% Utilities Connection: 3% Financing Cost: 4% annually Developer Profit & Risk: 15%	10,422,000	9,019,000	603,000
Machinery and spares	Cost Approach	Impairment assessment	Salvage value: 20% Accumulated depreciation: 10% Functional Obsolescence: 5% Economic obsolescence: 20%	7,094,469	3,897,280	3,197,189
				23,569,124	18,916,350	3,852,774

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

7. CAPITAL WORK IN PROGRESS (CONTINUED)

The name and qualifications of the valuer performed evaluation of the feed plant building and equipment are as follows:

Name of valuers	Ejadah Saudia (For Building) Rqeem (For Equipment and Spare Parts)
Valuer's qualifications	Licensed (TAQEEM).

The valuer is independent to the Group and the valuation conforms to International Valuation Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Taking into considering the valuation technique and key inputs utilized by the valuator, the valuation is categorized at Level 2 (for market approach) and Level 3 (for cost approach) of the fair value hierarchy of IFRS 13.

* Impairment was carried on all classes of CWIP assets including farm feed mill and building separately and resulted in impairment loss.

8. INVESTMENT PROPERTIES

The investment lands included a land in the Dammam area that the Group had previously purchased from the General Organization for Railways on 25 January 2012 for SAR 39.25 million, until the purchase was rejected by the State General Authority for Real Estate, on account of violation of the approved railway protection system.

The Group excluded the land from its records and all the required documents were submitted to the General Organization of Railways and a cheque for SAR 24.38 million received by the Group after deducting the accumulated dues of the ZATCA of SAR 11.32 million in addition to deducting the amount of SAR 0.16 million for warehouse rent. Subsequently, the Group submitted the documents required to recover the remaining amount of SAR 3.37 million. The impairment of other assets includes a provision for the full value.

The following is a summary of the movement of investment properties as of:

	<u>2025</u>	<u>2024</u>
Fair value at the beginning of the year	41,683,054	40,296,616
Net fair value gain on investments properties	446,348	1,386,438
Fair value at the end of the year	42,129,402	41,683,054

The fair values of the land as of 31 December 2025 is presented below:

Location	Purpose	Name of the Valuer	Valuation Technique	Key Inputs and percentages	Fair Value Amount as per Valuation as at 31 December	
					2025	2024
Al-Khobar (Note 8.2)	Rental	Value Experts	Income Approach	-Occupancy (%) – 90% (2024: 90%) -Return Ratio (%) – 9% (2024: 9%) -Operating and maintenance (%) – 5% (2024: 5%)	7,341,030	6,969,960
Onezah	Capital Appreciation	Value Experts	Market Approach	-Price Average (SR/sqm) – 10 – 75.5 (2024: 10 – 75.5) Adjusted price per square meter – 42.5-86.3 -Density – 4980 (2024: 4980)	318,720	298,800

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

8. INVESTMENT PROPERTIES (CONTINUED)

Location	Purpose	Name of the Valuer	Valuation Technique	Key Inputs and percentages	Fair Value Amount as per Valuation as at 31 December	
					2025	2024
Abu Arish (Note 8.1)	Rental	Value Experts	Income Approach	-Discount Rate (%) – 11.93% (2024: 12.05%) Risk free rate (%) – central bank – 2.20% Government bond yield for the next five years (%) - 4.73% (2024: 5.10%) Market risk premium -2.5% (2024: 3%) Property-specific risk premium – 2.5% (2024: 2.5%)	34,469,652	34,414,294
					42,129,402	41,683,054

Taking into consideration the valuation technique and key inputs utilized by the valuers, the valuations are categorized at Level 2 (for market approach) and Level 3 (for income approach) of the fair value hierarchy of IFRS 13.

8.1. Title deed of the Abu Arish is not digitalized yet. As per the legal opinion of the Group’s Lawyer it is confirmed that the absence of an electronic title deed does not result in the forfeiture of ownership. However, the Group will start the procedure to update the title deeds.

8.2. The lands include a land in Khobar, with a book value of SAR 2.1 million and were mortgaged to the Saudi Agricultural Development Fund against the borrowings granted to finance the shrimp cultivation and breeding project.

8.3. The Group engaged two different valuers for investment properties valuations and adopted the lower valuation for their fair value assessment.

The name and qualifications of the valuer performed evaluation of the investment properties are as follows:

		License number
Name of valuer	1. Amaken Valuation Company	1210000040
	2. Value Experts	1210000027
Valuer’s qualifications	Licensed (TAQEEM).	

The valuer is independent to the Group and the valuation conforms to International Valuation Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

There has been no change to the valuation technique during the year.

The property rental income earned by the Group from its investment property amounted to SAR 0.45 million (2024: SAR 0.45 million). Direct operating expenses arising on the investment property, all of which generated rental income in the year, amounted to SAR Nil (2024: SAR Nil).

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in Saudi Riyals unless otherwise stated)

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Land and buildings

<u>Cost</u>		2025	2024
Balance as at 1 January		19,257,328	20,747,663
Additions during the year			471,644
Derecognition of right-of-use assets		(82,795)	(1961,979)
Reassessment of lease	9.1	(9,403,140)	-
Balance as at 31 December		9,771,393	19,257,328
<u>Accumulated depreciation</u>			
Balance as at 1 January		8,771,576	8,234,438
Charge for the year		853,749	1,653,404
Derecognition		(61,449)	(1,116,266)
Accumulated depreciation as at		9,563,876	8,771,576
Net book value before impairment		207,517	10,485,752
<i>Less: Provision for impairment</i>		-	(2,066,000)
Net book value after impairment		207,517	8,419,752

Movement of impairment

	Note	2025	2024
Balance at the beginning of the year		2,066,000	2066,000
Reversal of Impairment for the year	29	(2,066,000)	-
Balance at the end of the year		-	2,066,000

9.1. As at year-end, and based on management's confirmation, it is highly likely that the lease related to the Huraidah land will be transferred to the subsidiary, Al-Haridha National Aquaculture Company. Accordingly, the lease term was reassessed and limited to the original contractual period. This reassessment resulted in a reduction of the right-of-use assets and lease liabilities by SAR 9.4 million and SAR 10.4 million, respectively.

Depreciation charge for the year has been allocated as follows:

	Note	2025	2024
Selling and marketing expenses	25	448,601	1,145,648
Cost of sales	24	-	184,221
General and administrative expenses	28	405,148	323,535
		853,749	1,653,404

Depreciation is allocated based on the assets tagged with the related cost centers on actual basis.

The Group leases several assets including land and buildings. The average lease term is 9.83 years (2024: 5.80 years)

Amounts recognized in profit or loss:

	Note	2025	2024
Depreciation expense of right-of-use assets		853,749	1,653,404
Lease finance cost (included in finance cost)	28	542,166	615,241
Expense relating to short-term leases (included in statement of profit or loss)		-	-
Gain on reassessment of lease	27	1,001,494	-
Total amounts recognized in profit or loss		2,397,409	2,268,645

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease liabilities on right-of-use assets

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Lease liabilities as at the beginning of the year		16,028,941	16,936,842
Additions during the year		-	471,644
Derecognition		(55,076)	(807,037)
Reassessment of lease	9.1	(10,404,634)	-
Finance cost		542,166	615,241
Paid during the year		(5,016,843)	(1,187,749)
		<u>1,094,554</u>	<u>16,028,941</u>

The incremental borrowing rate applied is 5 % (2024: 5 %) for all the leases of the Group based on varying lease terms.

The total cash outflow for leases amount to SAR 5.016 million (2024: SAR 1.18 million). As of 31 December 2025, the Group is not committed to any short-term leases.

The Group face significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function. As at 31 December 2025, the Group has outstanding lease liabilities for previous years amounting to SAR 0.543 million (31 December 2024: SAR 4.63 million). During the year, the Group has paid an amount of SAR 4.5 million with respect to lease outstanding from last years.

	<u>As at 31 December</u>	
	<u>2025</u>	<u>2024</u>
Non-current	36,671	10,495,585
Current	1,057,883	5,533,356
	<u>1,094,554</u>	<u>16,028,941</u>

	<u>As at 31 December</u>	
	<u>2025</u>	<u>2024</u>
Year 1	1,057,883	5,533,357
Year 2	13,328	763,328
Year 3	13,328	763,328
Year 4	13,328	763,328
Year 5 onwards	-	17,276,656
Total undiscounted lease liabilities	1,097,867	25,099,997
Less: Finance cost	(3,313)	(9,071,056)
	<u>1,094,554</u>	<u>16,028,941</u>

10. INVENTORIES

		<u>As at 31 December</u>	
	<u>Note</u>	<u>2025</u>	<u>2024</u>
Finished goods		-	1,063,823
Raw materials		1,384,434	1,299,104
Packaging materials and consumables		2,907,451	2,882,840
Spare parts		1,583,824	1,589,632
Provision for obsolete inventory	10.2	(5,875,709)	(5,640,989)
		<u>-</u>	<u>1,194,410</u>

Refer note 26.1 for the cost of inventories recognised as an expense during the year.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

10. INVENTORIES (CONTINUED)

10.2. Movement of Provision

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	5,640,989	3,408,111
Provision during the year	1,667,116	2,232,878
Finished goods write off	(1,432,396)	-
Balance at the end of the year	<u>5,875,709</u>	<u>5,640,989</u>

11. ASSETS CLASSIFIED AS HELD FOR SALE

On 29 October 2025, the Group concluded an agreement with Sara National Trading Company to enable the latter to acquire a controlling stake in Al-Haridha National Aquaculture Company and to transfer the contracts, licenses and assets related to the project to it, in accordance with the terms and mechanisms specified in the agreement. Sara National acquired a controlling stake of 5,100 shares, representing 51% of Al-Haridha Company's shares, along with the transfer of the project land lease, licenses, assets, contracts, and related rights from the Saudi Fisheries Company to Al-Haridha National Aquaculture Company. This includes enabling Sara National to manage the company and appoint a manager, in accordance with the draft articles of association following the transition to a simplified joint-stock company. Transaction price was SAR 33.150 million representing the total project value of SAR 65 million. An aquaculture project in the Al-Haridha Center in the Asir region, which includes aquaculture ponds, production lines, equipment, machinery, buildings, housing, contracts and related assets, under a lease agreement for the project land and licenses. As at the reporting date, the agreement has not yet been executed, as the transaction is contingent upon the transfer of the relevant licenses and lease. The agreement will be executed upon completion of such transfers. Following the approval of agreement farm related assets are therefore classified and presented separately as held for sale in these consolidated financial statements.

These assets are expected to be sold in next 12 months. These are measured at lower of their carrying amount and fair value less costs to sell and depreciation is ceased on relevant assets from the date of their classification as held for sale.

	<u>As at 31 December 2025</u>
Total assets classified as held for sale	61,350,751

12. TRADE RECEIVABLES

Financial Asset at Amortized Cost – unsecured

	<u>As at 31 December</u>	
	<u>2025</u>	<u>2024</u>
Trade receivable	8,244,421	8,826,999
Less: Impairment of trade receivable	(8,244,421)	(8,600,663)
	<u>-</u>	<u>226,336</u>

12.1. The credit terms of the trade receivables vary across the business segments of the Group and therefore any significant change in affects the aging profile of trade receivables accordingly.

12.2. The average credit period on sales of goods is 45 days. No interest is charged on outstanding trade receivables.

Movement in allowance for impairment of trade receivables is as follows:

	<u>2025</u>	<u>2024</u>
At the beginning of the year	8,600,663	5,739,738
(Reversal) / provision of impairment during the year	(356,242)	2,860,925
At the end of the year	<u>8,244,421</u>	<u>8,600,663</u>

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

13. PREPAYMENTS AND OTHER ASSETS

	Note	As at 31 December	
		2025	2024
Unreconciled VAT receivables		3,009,693	3,111,185
Advance payments to suppliers		6,555,090	4,903,001
Prepaid expenses (medical, insurance and utilities)		267,422	694,544
<i>Less: Impairment</i>		(7,507,713)	(7,733,978)
		2,324,492	974,752
<i>Financial Asset at Amortized Cost – Unsecured</i>			
Receivable from Government for Jeddah building	13.1	-	8,971,782
Receivables from scrap sales		740,640	3,825,500
Land related receivables	8	3,377,204	3,377,204
Rental receivable		150,000	351,252
Margin of guarantees		170,775	170,775
Receivables from staff		1,399	55,421
Others		723,426	724,783
		5,163,444	17,476,717
<i>Less: Impairment of financial assets</i>		(4,175,907)	(4,135,267)
		987,537	13,341,450
Total		3,312,029	14,316,202

13.1. During the year 2022, Jeddah Municipality expropriated the land, vacated the site and has demolished the administrative building located in Jeddah Governorate and the recoverability amount from the government has been ascertained as SAR 8.97 million by the Taqueem approved fair valuer and legal advisor of management has confirmed the reasonableness and recoverability of the same. Accordingly, based on the guidance provided by SOCPA, a receivable from government has been recorded in the books in line with the requirements of the applicable accounting standard. During the year, the Group received SAR 36.33 million from the Real Estate Authority as compensation for the Jeddah land and building. The Group is currently in discussions with the Authority to determine the allocation of this compensation between the land and the buildings, as full compensation for the buildings is due to the Group. The land compensation will be allocated to the Group's capital in favour of the state in accordance with the royal order, following the receipt of the official valuation.

14. CASH AND CASH EQUIVALENTS

	Note	As at 31 December	
		2025	2024
<i>Financial Asset at Amortized Cost</i>			
Cash and bank balances	14.1	632,281	10,565,890
Term deposits – original maturity of less than 3 months	14.2	13,048,187	-
		13,680,468	10,565,890

Cash in banks are maintained in current accounts and does not yield any income.

14.1. Cash and bank balances

	As at 31 December	
	2025	2024
<i>Financial Asset at Amortized Cost</i>		
Cash in hand	9,846	136,859
Cash at banks	622,435	10,429,031
	632,281	10,565,890

Cash in banks are maintained in current accounts and does not yield any income.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

14. CASH AND CASH EQUIVALENTS (CONTINUED)

14.1. Term Deposits

<u>Financial Asset at Amortized Cost</u>	Note	2025
Term Deposit	14.3	13,000,000
Accrued interest on term deposits		48,187
		13,048,187

14.2. During the year, the Group received SAR 36.33 million from the State Real Estate Authority as compensation for the Jeddah land and building. The Group is currently in discussions with the Authority to determine the allocation of this compensation between the land and the buildings, as full compensation for the buildings is due to the Group. The land compensation will be allocated to the Group's capital in favor of the state in accordance with the royal order, following the receipt of the official valuation. Until final allocation, an amount of 13 million out of this compensation has been deposited in a local bank under a 1-month term deposit earning interest at 5.40 %.

15. SHARE CAPITAL

As per the decision of Capital Market Authority regarding the approval of capital reduction as on 18 December 2024 and with reference to the results of extra ordinary general meeting regarding the reduction of share capital held on 26 January 2025, during the period, the Company undertook a capital reduction from SAR 400 million to SAR 66.986 million to offset accumulated losses amounting to SAR 333.014 million. This restructuring was approved by the relevant regulatory authorities. The Company's issued and paid-up capital as at 31 December 2025 is SAR 66.98 million (31 December 2024: SAR 400 million) divided into 6.6 million shares issued and paid (31 December 2024: 40 million shares) with a par value of SAR 10 per share. The Company has one class of ordinary shares which carry no right to fixed income.

16. LONG-TERM BORROWINGS

<u>Financial Liabilities at Amortized Cost - Secured</u>	<u>As at 31 December</u>	
	2025	2024
Murabaha finance	11,452,809	18,952,809
Zero-interest loan	3,779,284	4,088,990
Accrued finance cost	-	824,420
	15,232,093	23,866,219

16.1. Maturity Profile	<u>As at 31 December</u>	
	2025	2024
Non-current portion	-	2,670,510
Current portion	15,232,093	21,195,709
	15,232,093	23,866,219

During the year 2024, the Group has obtained additional funding of SAR 19 million from Riyadh bank. The loan carries markup at the market prevailing rates. The tenor of contract is 2 years and was originally scheduled for repayment beginning 08 June 2025. During the period, the bank has deducted the total finance cost related to the loan. Further, during the period ended 30 September 2025, the Saudi Agriculture and Livestock Investment Company (SALIC), acting as the guarantor under the agreement, repaid the entire loan. An agreement was subsequently signed between the Saudi Fisheries Company and SALIC, under which the Saudi Fisheries Company committed to repay the full amount in agreed-upon installments within one year. As part of the agreement, the Saudi Fisheries Company also undertook to issue a promissory note for the full guarantee amount and to provide a guarantee through real estate mortgage for the Company headquarter in Riyadh. The property is registered under Title Deed No. 3179010000456 and has a total area of 6,263.96 square meters.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

16. LONG-TERM BORROWINGS (CONTINUED)

The Group has a long-term zero interest loan from the Saudi Agricultural Development Fund for the farming activities. The loan is repayable by the year 2026. These loans are discounted using the prevailing market rate. The difference between the loan received and the present value is recorded as a deferred government grant under trade and other payables. The same amount is amortized over the life of the loan in accordance with the requirements of IFRS. Furthermore, these loans are secured against mortgage for lands owned by the Group in Qatif and Al Khobar at their book values in the amount of SAR 1 million (within property, plant and equipment) and SAR 6.97 million at their fair value (within investment properties), respectively. During the year, the Group made a partial repayment of the outstanding loan installment. Subsequently, the fund communicated that the remaining payment has been deferred until the next scheduled installment date or shall be settled in full upon the occurrence of certain events, such as an increase in the Company's share capital or the receipt of any compensation. As at 31 December 2025, the Group defaulted a payment of SAR 2.4 million with respect to zero-interest loan. Currently no penalties and claims have been imposed by the Saudi Agricultural Development Fund against the nonpayment of installments.

	Liabilities		
	Long-term borrowings	Shareholders' compensation and subscription to priority right shares	Lease liabilities
Balance as at 1 January 2025	23,866,219	13,394,314	16,028,941
Repayment of borrowings	(7,925,500)	-	-
Finance cost paid	(1,213,296)	-	-
Lease liabilities paid	-	-	(5,016,843)
Reassessment of lease liability	-	-	(10,404,634)
Derecognition of lease liability	-	-	(55,076)
Finance cost	504,670	-	542,166
Balance as at 31 December 2025	15,232,093	13,394,314	1,094,554

Reconciliation of movements of liabilities to cashflows arising from financing activities:

	Liabilities			
	Long-term borrowings	Short-term borrowings	Shareholders' compensation and subscription to priority right shares	Lease liabilities
Balance as at 1 January 2024	44,511,091	-	13,414,275	16,936,842
Proceeds from borrowings	19,000,000	-	-	-
Repayment of borrowings	(40,000,000)	-	-	-
Finance cost paid	(2,378,602)	-	-	-
Shareholder's compensation and subscription to priority right shares paid	-	-	(19,961)	-
Lease liabilities paid	-	-	-	(1,187,749)
New leases	-	-	-	471,644
Derecognition of lease liability	-	-	-	(807,037)
Finance cost	2,733,730	-	-	615,241
Balance as at 31 December 2024	23,866,219	-	13,394,314	16,028,941

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

17. EMPLOYEES' POST-EMPLOYMENT BENEFITS

17.1. During the year the actuarial valuations of the defined benefit obligations were carried out under the Projected Unit Credit Method using the following significant assumptions:

	<u>As at 31 December</u>	
	<u>2025</u>	<u>2024</u>
The present value of the employees' post-employment benefit	1,548,125	2,738,125

17.2. Key actuarial assumptions

	<u>2025</u>	<u>2024</u>
Estimated rate of increase in employee salaries	5.00%	5.00%
Discount rate	4.75%	5.10%
Employee turnover (withdrawal) rates	HIGH	HIGH

17.3. Amount recognized in the statement of profit or loss for the year ended

	<u>2025</u>	<u>2024</u>
Service Cost	425,475	834,645
Finance cost on employees' post-employment benefit	98,870	139,342
Past service cost settlement gain	-	3,807
	<u>(201,640)</u>	<u>(275,858)</u>
The total amount charged to the statement of profit or loss	<u>322,705</u>	<u>701,936</u>

17.4. Amount recognized in the statement of other comprehensive income for the year ended

	<u>2025</u>	<u>2024</u>
Actuarial losses / (gains) due to change in financial assumptions	20,933	(11,098)
Actuarial losses due to change in demographic assumptions	11,127	-
Actuarial gains due to change in experience assumptions	(114,167)	(269,225)
Amount charged to Other Comprehensive Income	<u>(82,107)</u>	<u>(280,323)</u>

17.5. The movement in the present value of employees' post-employment benefit

	<u>2025</u>	<u>2024</u>
Present value at the beginning of the year	2,738,125	4,883,597
Service Cost	425,475	834,645
Finance cost	98,870	139,342
Payments during the year	(1,430,598)	(2,567,085)
Settlements gain	(201,640)	(275,858)
Past Service Cost (due to change in NRA)	-	3,807
Actuarial gain through OCI	(82,107)	(280,323)
	<u>1,548,125</u>	<u>2,738,125</u>

The liability of employees' post-employment benefits related to key management amounted to SAR 0.20 million (refer note 24).

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

17. EMPLOYEES' POST-EMPLOYMENT BENEFITS (CONITUED)

17.6. Maturity Profile

	As at 31 December	
	2025	2024
Year 1	483,969	605,842
Year 2	239,471	457,726
Year 3	199,901	637,009
Year 4	226,611	264,999
Year 5 onwards	818,453	1,453,207
Total undiscounted payments	1,968,405	3,418,783
Less: finance cost	(420,280)	(680,658)
	1,548,125	2,738,125

17.7. Sensitivity Analysis of significant actuarial assumptions

	Change in assumption	Increase / (decrease) in present value of employees' post-employment benefit liability	
		Amount	%
Discount rate	+1%	1,539,500	(3.60%)
	-1%	1,660,259	3.96%
Salary increase rate	+1%	1,659,475	3.92%
	-1%	1,539,105	(3.62%)
Mortality	+1 year	1,596,774	(0.01%)
	-1 year	1,597,111	0.01%
Withdrawal rate	+10%	1,586,393	(0.66%)
	-10%	1,609,002	0.76%

18. TRADE AND OTHER PAYABLES

	Note	As at 31 December	
		2025	2024
<i>Financial Liabilities at amortized cost – unsecured</i>			
Trade payables	18.1	7,921,414	15,225,926
Remuneration of board members	20.2	4,523,920	4,682,999
Unclaimed dividends payable	18.2	2,858,933	2,858,933
Accrued salaries and wages		591,830	1,501,704
Accrued rents		197,536	180,885
		16,093,633	24,450,447
Unallocated land expropriation compensation	13.1	27,360,973	-
Accrued professional fees		2,583,002	2,583,002
Others		2,226,768	2,352,427
VAT Payable		268,989	821,381
Government Grant		50,661	166,455
Advance from customers		19,579	35,998
Provision for legal cases		-	257,073
		32,509,972	6,216,336
Total		48,603,605	30,666,783

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

18. TRADE AND OTHER PAYABLES (CONTINUED)

18.1. This represents non-profit bearing payables against the purchases made by the Group on a conventional basis. The Group is in default of making payments and the balances have been since last years due to liquidity challenges.

18.2. The Group has outstanding dividends that were announced in prior periods but remain unsettled due to the unavailability of bank account details of the shareholders. Group is currently addressing this matter and settling the outstanding dividends based on shareholder claims submitted to the Group.

The Group remains committed to fulfilling its obligations to shareholders and are taking necessary measures to facilitate the timely payment of these dividends. The Group expects to settle the outstanding dividends in accordance with applicable regulations and requirements.

19. SHAREHOLDER’S COMPENSATION AND SUBSCRIPTION TO PRIORITY RIGHT SHARES

The Company has completed the legal procedures related to the capital increase and announced the subscription of new shares for existing shareholders. Despite this, some shareholders have opted not to exercise their right to participate in the capital increase.

To address this, the Company compensated these shareholders who did not exercise their right to subscribe to priority rights shares related to the capital increase in 2011. The compensation was calculated based on the difference between the nominal value and the market value of the share, amounting to SAR 11.74 per share.

The total value of the compensation amounted to SAR 31.74 million, with SAR 13.39 million remaining unpaid as of 31 December 2025 (compared to SAR 13.39 million as of 31 December 2024) for the first increase. The Company remains committed to completing the compensation process and settling all outstanding amounts owed to these shareholders.

20. RELATED PARTIES TRANSACTION AND BALANCES

Key management personnel are those persons, including the Board of Directors members, Managing Director and top executives having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The transactions with related parties represent the salaries, bonuses and allowances of the members of the Board of Directors, the committees and the executive management that took place during the period between the Group and the members of the Board of Directors, the members of the committees and the executive management. The most important transactions with related parties are as follows:

20.1. Transactions during the year

Name of Related Party	Nature of Relationship	Nature of transactions	2025	2024
Key management personnel	Board members	Board remuneration	1,508,609	1,266,101
		Payments / Non- approval to Board	(1,693,782)	(893,716)
	Key executive employees	Salaries, wages, and other allowances	4,017,566	2,783,184
		Salaries, wages, and other allowances paid	(4,017,566)	(2,805,584)
		Employees’ post-employment benefits	82,396	65,414
	Employees’ post-employment benefits paid	-	(177,016)	

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

20. RELATED PARTIES TRANSACTION AND BALANCES (CONTINUED)

20.2. Balance as at the year end

Name of related party	Nature of relationship	Nature of Balance	As at 31 December	
			2025	2024
Key Management Personal	Board of Directors	Board remuneration	4,523,920	4,628,999
	Key Executive employees	Employment Benefits	200,798	118,402

21. PROVISION FOR ZAKAT

Maturity Profile	As at 31 December	
	2025	2024
Non-current portion	8,858,721	-
Current portion	4,807,217	15,964,978
	13,665,938	15,964,978

The movement in the provision for zakat is as follows:

	2025	2024
Balance at the beginning of the year	15,964,978	14,588,279
Net charge for the year	372,832	1,496,015
Prior year excess provision	-	(1,891,764)
Prior year adjustment	(668)	2,272,448
Paid during the year	(2,671,204)	(500,000)
Balance at the end of the year	13,665,938	15,964,978

21.1. Status of Assessment

The Group has submitted its Zakat declaration to ZATCA for the year ended 31 December 2024 and has obtained the certificate valid until 13 Dhu‘l-Qi‘dah 1447H corresponding to 30 April 2026.

In accordance with the agreed instalment plan with ZATCA, the Group has paid SAR 2.671 million out of the total outstanding zakat liability of SAR 15.964 million as of the reporting date for prior periods.

During the year, the Group agreed the zakat assessment payable with ZATCA. As per the agreed terms, the Group is required to settle the outstanding zakat assessments in twelve quarterly instalments payable by November 2028. These installments are discounted to their present value using the prevailing market rate.

The details of the assessments are as follows.

Year	As at 31 December
	2025
	Assessment
2011-2016 Assessment	8,803,439
2017-2018 Assessment	1,412,627
2023 Assessment	3,589,319
2021-2022 Assessment	2,735,487
	16,540,872

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

22. CONTINGENCIES AND COMMITMENTS

22.1. The commitment to banks against letters of guarantee issued on the Group's behalf are SAR 0.17 million at 31 December 2025 (31 December 2024: SAR 0.17 million).

23. SALES

Sale of goods	2025	2024
Wholesale	-	15,035,249
Retail	4,077,794	6,401,405
<i>Less:</i>		
- Sales return	-	-
	4,077,794	19,042,570
Sales by timing	2025	2024
Point in time	4,077,794	19,042,570
Over the period	-	-
	4,077,794	19,042,570

23.1. The Group's revenue is derived from the retail customers for the sale of goods. Products are transferred at a point in time, when goods are delivered, accordingly, sale is recognised.

23.2. During the year ended 31 December 2024 revenue related to farming operations and whole sale was discontinued. By the end of the year ended 31 December 2025 revenue related to retail segment was also discontinued and become non-operational as at year end.

24. COST OF SALES

	Note	2025	2024
Local and import purchases		2,091,406	14,713,295
Depreciation of property, plant and equipment	6	-	3,155,807
Salaries and wages		-	2,933,693
Farm manufactured goods		-	2,360,096
Electricity cost and other services		-	583,494
Equipment rent		-	223,142
Depreciation of the right to use assets	9	-	184,221
Others		-	8,537
		2,091,406	24,162,285

25. SELLING AND DISTRIBUTION EXPENSES

	Note	2025	2024
Salaries and wages		1,887,503	5,753,846
Transportation fees and rents		695,087	1,975,534
Depreciation of right-of-use assets	9	448,601	1,145,648
Utilities		413,525	804,802
Depreciation of property, plant and equipment	6	268,152	874,460
Others		334,769	440,107
		4,047,637	10,994,397

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

26. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Salaries and wages		7,507,954	6,337,144
Depreciation of property, plant and equipment	6, 26.3	6,421,721	5,296,014
Overheads related to idle farming operations	26.2	1,624,567	3,231,637
Utilities		1,534,896	1,003,788
Remuneration of board members	20	1,508,609	1,266,101
Professional services	26.1	1,351,994	8,031,587
Depreciation of right-of-use assets	9, 26.4	405,148	323,535
Legal expenses		328,907	106,330
Subscriptions		328,425	392,554
Other		47,240	219,804
		<u>21,059,461</u>	<u>26,208,494</u>

26.1. The professional fees for auditing the annual consolidated financial statements and reviewing the interim consolidated financial statements for the Group amounted to SAR 670,000 Saudi Riyals (2024: SAR 750,000 Saudi Riyals).

26.2. Commencing June 2024, harvesting activities were ceased due to the absence of farming operations. Consequently, overhead costs incurred during 2025 have been classified as general and administrative expenses rather than included in the cost of sales.

26.3. Depreciation of property, plant and equipment include amounting to SAR 5,556,778 related to the idle farming operations.

26.4. Depreciation of right-of-use assets include amounting to SAR 405,148 related to the idle farming operations.

27. OTHER INCOME

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Gain on disposal of property, plant and equipment	6	3,506,504	4,295,061
Income from term deposit	14.2	1,253,908	-
Gain on reassessment of lease		1,001,494	-
Rental income	8	690,418	1,460,927
Gain on investments carried at FVTPL	27.1	493,460	-
Settlement gain / loss on end of service benefits	17	201,640	275,858
Government grant		115,794	952,291
Income from restricted cash deposit	14	-	1,325,433
Others		341,290	308,333
		<u>7,604,508</u>	<u>8,617,903</u>

27.1. During the year, the Group has purchased the unsubscribed shares for the right issue of Saudi Industrial Development Company (SIDC) through the Alinma capital. These shares were later sold and as a result the Group earned a profit of SAR 0.493 million.

28. FINANCE COST

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Murabaha finance	16	388,876	3,631,089
Lease liabilities	9	542,166	615,241
Unwinding of zero interest loan	16	115,794	177,827
Employees' post-employment benefits	17	98,870	139,342
		<u>1,145,706</u>	<u>4,563,499</u>

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

29. (PROVISION) / REVERSAL FOR IMPAIRMENT OF NON-FINANCIAL ASSETS

	<u>Note</u>	<u>2025</u>	<u>2024</u>
(Provision) / reversal for impairment of property, plant and equipment	6	(5,790,760)	5,927,000
(Provision) / reversal for impairment of capital work in progress	7	(3,852,774)	1,645,491
Reversal for impairment of right-of-use assets	9	2,066,000	-
		<u>(7,577,534)</u>	<u>7,572,491</u>

30. BASIC AND DILUTED LOSSES PER SHARE

The basic and diluted share of income is calculated by dividing the income for the year attributable to the shareholders of the Group by the weighted average number of ordinary shares outstanding at the end of the year, which amounted to 6,698,604 shares (31 December 2024: 40,000,000 shares).

	<u>2025</u>	<u>2024</u>
Net loss of the year	(25,352,027)	(40,995,299)
Weighted average number of shares outstanding during the year - adjusted	6,698,604	6,698,604
Losses per share (SAR)	(3.78)	(6.12)
-Basic	(3.78)	(6.12)
-Diluted	(3.78)	(6.12)

31. SEGMENT INFORMATION

The Group's principal business activities involve farming, retail and wholesale of sea food. Selected financial information as at 31 December 2025 and 31 December 2024, and for the years then ended, categorized by these business segments, is as follows:

Farming	Includes shrimp and fish products processing and distribution
Retail	Includes restaurant and online sales of sea food and related products
Wholesale	Trading of sea food products on wholesale basis

The management constantly analyzes the results of its operations in order to make decisions related to resource allocation and performance evaluation. The Group presents basic consolidated financial statements according to activities and products. The analysis of sectors according to activities is represented in farm, wholesale and retail.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

31.SEGMENT INFORMATION(CONTINUED)

2025	Farm	Retail	Unallocated	Total
Revenue	-	4,077,794	-	4,077,794
Expenses	(1,263,988)	(2,091,406)	(17,153,237)	(20,508,631)
Net fair value gain on investment properties	446,348	-		446,348
Depreciation on Property plant and equipment	-	(37,796)	(6,652,077)	(6,689,873)
Provision for impairment loss	-	-	(8,763,635)	(8,763,635)
Other income	-	-	7,604,508	7,604,508
OPERATING LOSS	(817,640)	1,948,592	(24,964,441)	(23,833,489)
Finance cost	-	(1,145,706)	-	(1,145,706)
NET LOSS BEFORE ZAKAT	(817,640)	802,886	(24,964,441)	(24,979,195)
Zakat	-	(372,832)	-	(372,832)
NET LOSS FOR THE YEAR	(817,640)	430,054	(24,964,441)	(25,352,027)
As at 31 December 2025				
Total Assets	82,209,473	1,040,687	60,575,742	143,825,902
Total Liabilities	1,094,554	775,782	91,668,293	93,538,629

2024	Farm	Retail	Wholesale	Total
Revenue	4,560,670	5,801,371	8,680,529	19,042,570
Expenses	(17,508,765)	(15,350,090)	(26,508,196)	(59,367,051)
Net fair value gain on investment properties	1,386,438	-	-	1,386,438
Loss on fair value of biological assets	(827,768)	-	-	(827,768)
Depreciation	(2,629,620)	(3,344,990)	(5,005,074)	(10,979,684)
Impairment loss on non-financial assets	7,572,491	-	-	7,572,491
Other income	2,063,976	2,625,469	3,928,458	8,617,903
	(9,943,248)	(16,069,611)	(27,584,812)	(53,597,671)
OPERATING LOSS	(5,382,578)	(10,268,240)	(18,904,283)	(34,555,101)
Finance cost	(1,092,952)	(1,390,282)	(2,080,265)	(4,563,499)
NET LOSS BEFORE ZAKAT	(6,475,530)	(11,658,522)	(20,984,548)	(39,118,600)
Zakat	(449,467)	(571,741)	(855,491)	(1,876,699)
NET LOSS FOR THE YEAR	(6,924,997)	(12,230,263)	(21,840,039)	(40,995,299)
As at 31 December 2024				
Total Assets	161,982,125	4,332,832	11,901,596	178,216,553
Total Liabilities	75,454,161	10,898,259	16,306,940	102,659,360

31.1.Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the current year (2024: nil).

31.2. The accounting policies of the reportable segments are the same as the group's accounting policies described in note 5. Segment profit represents the profit earned by each segment without allocation of central administration costs, finance income, non-operating gains and losses in respect of financial instruments and finance costs, and zakat expense.

32.FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

32.1.Currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates, foreign currency risk arises when future commercial transactions, assets and liabilities are recognized in a currency other than the Saudi Riyals. Management monitors the risks of fluctuations in exchange rates closely and on an ongoing basis, and based on its experience and market reactions, management does not believe that it is necessary to hedge against foreign exchange risks as most of the foreign exchange risks are relatively limited in the medium term.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

32.1. Credit risk (Continued)

	As at 31 December	
	2025	2024
Trade payables - USD	<u>628,712</u>	<u>643,301</u>

32.2. Credit risk

It is the risk that one party will not be able to fulfill its obligations, causing financial losses to the other party. The Group does not have significant concentration of credit risk. Cash at bank and term deposits are deposited with local banks with high credit ratings. Trade and other assets are mainly due from customers in the local market and

are shown at their estimated collectible value. The Group has policies in place to reduce its exposure to credit risk. The book value of the financial assets represents the maximum credit risk.

32.2.1. Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of a receivable has increased significantly since its initial recognition and its measurement of ECL. The economic scenario used includes the key indicators of Gross Domestic Product (GDP) forecast and Inflation Rate forecast and Government Expenditure forecast.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

	As at 31 December	
	2025	2024
Cash at bank	636,394	10,429,031
Term deposits	13,048,187	-
Trade receivables	-	226,336
Other assets	4,992,669	4,314,247
	<u>18,677,250</u>	<u>14,969,614</u>

Aging of trade receivables is as follows:

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

32.2. Credit risk (Continued)

Calculation of loss allowance

	2025			2024		
	Carrying amount before ECL	ECL	%	Carrying amount before ECL	ECL	%
0-30 days	-	-	-	114,811	6,261	5%
31-90 days	-	-	-	152,219	34,433	23%
<u>Credit-impaired</u>						
91 and above and balance with legal cases	8,244,421	8,244,421	100%	8,559,969	8,559,969	100%
Total	8,244,421	8,244,421		8,826,999	8,600,663	

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, considering cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The following is the credit rating of the banks that the Group deals with and their balance as on 31 December 2025

Credit rating	As at 31 December	
	2025	2024
<u>Bank balances</u>		
A3	1,246	10,351,353
A2	621,134	77,678
B1	55	-
	622,435	10,429,031
Credit rating		As at 31 December
Balances with Term deposits		2025
A1		13,048,187
		13,048,187

Bank balances and term deposits are placed with banks with sound credit ratings which are given in note 32.2. Bank balances, term deposit, restricted cash deposits and other assets are considered to have low credit risk. Based on management impairment assessment, Expected Credit Loss (ECL) in respect for them as at the valuation date was immaterial.

32.3. Liquidity risk

It is the risk that the Group will encounter difficulties in obtaining the necessary financing to meet obligations associated with financial instruments. Liquidity risk may arise when the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed through regular monitoring of the adequacy of liquidity available to meet the Group's financial obligations. The Group's approach to managing liquidity is to ensure

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

32.3. Liquidity risk (continued)

that it has sufficient liquidity to meet its liabilities when due, under normal and established conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following table summarizes the Group's financial liabilities in the related maturity companies based on the remaining period at the balance sheet date and up to the contractual maturity date. The amounts shown in the table are the contractual undiscounted cash flows.

	As at 31 December			
	Carrying amount	Less than 1 year	1 year to 5 years	More than 5 years
31 December 2025				
Long-term borrowings	15,232,093	15,232,093	-	-
Trade and other payables	48,603,605	48,603,605	-	-
Shareholder's compensation and subscription to priority right shares	13,394,314	13,394,314	-	-
Lease liabilities	1,094,554	1,094,554	-	-
	<u>78,324,566</u>	<u>78,324,566</u>	<u>-</u>	<u>-</u>

	As at 31 December			
	Carrying amount	Less than 1 year	1 year to 5 years	More than 5 years
31 December 2024				
Long-term borrowings	23,866,219	21,195,709	2,670,510	-
Trade and other payables	30,666,783	30,666,783	-	-
Shareholder's compensation and subscription to priority right shares	13,394,314	13,394,314	-	-
Lease liabilities	16,028,942	5,533,357	3,816,640	6,678,945
	<u>83,956,258</u>	<u>70,790,163</u>	<u>6,487,150</u>	<u>6,678,945</u>

32.4. Fair value

The financial assets and liabilities that are not measured at fair value and are carried at amortized cost have short-term maturity, whereby, its book value approximates its fair value and therefore it does not include fair value information for these financial instruments.

The Group's principal financial liabilities include trade and other payables and borrowings. The Group's principal financial assets consist of cash and cash equivalent, trade receivables, prepayments and other assets, and term deposits. The main financial risks arising from the Group's financial instruments are market risk, credit risk, liquidity risk, currency risk and concentration risk. Management reviews and conforms to policies to manage these risks.

32.5. Market risk

It is the risk of fluctuation in a financial instrument due to changes in prices prevailing in the market, such as foreign exchange rates and interest rates, which affects the Group's income or the value of its financial instruments. Market risk management aims to manage and control exposure to market risk within acceptable limits while maximizing returns. There has been no change in the Group's exposure to market risks or the way in which these risks are managed and how they are measured.

32.6. Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. The Group's exposure to interest rate risk relates primarily to fixed-rate financial assets and financial liabilities. As these instruments bear fixed interest rates and are measured at amortized cost, the Group's is not exposed to cash flow interest rate risk. Accordingly, no sensitivity analysis has been presented.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Rivals unless otherwise stated)

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

32.6. Interest rate risk (Continued)

	<u>As at 31 December</u>	
	<u>2025</u>	<u>2024</u>
Term deposit	13,048,187	-
Long-term borrowings	15,232,093	23,866,219
Net	28,280,280	23,866,219

32.7. Capital risk management

The Group's manages its capital to ensure that that the Group's will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's's overall strategy remains unchanged from 2024.

The capital structure of the Group consists of net debt and equity of the Group.

Debt is defined by the Group as long borrowings and long-term borrowings (Current portion) and lease liabilities as disclosed in note 16, note 9. Net debt is defined as debt after deducting cash and cash equivalents (including cash and bank balances). Equity includes capital, reserves and retained earnings.

The Group is not subject to any externally imposed capital requirements. The Group's board of directors reviews the capital structure on periodic basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. The Group's gearing ratios at the year end of the reporting year were as follows.

	<u>As at 31 December</u>	
	<u>2025</u>	<u>2024</u>
Debt	15,232,093	23,866,219
Cash and cash equivalents	(13,680,468)	(10,565,890)
Net debt	1,551,625	13,300,329
Equity	48,687,273	75,557,193
Net debt to equity ratio	3.19%	17.6%

33. FAIR VALUES OF FINANCIAL INSTRUMENTS

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. Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

SAUDI FISHERIES COMPANY
(A LISTED JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

33. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial assets consist of cash and bank balances, investment, restricted cash deposits and other assets, its financial liabilities consist of trade payables, financial facilities and other liabilities.

The Group's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

All financial assets and liabilities are measured at amortized cost except investment carried at FVTPL. The carrying amounts of all other financial assets and financial liabilities measured at amortized cost approximate to their fair values.

31 December 2025	Fair value Level			Total
	1	2	3	
FINANCIAL ASSET				
Financial assets at fair value through profit or loss	83,357	-	-	83,357
31 December 2024				
	Fair value Level			
	1	2	3	Total
FINANCIAL ASSET				
Financial assets at fair value through profit or loss	20,155	-	-	20,155

The above financial assets and financial liabilities are measured at fair value at the end of each reporting period.

34. SIGNIFICANT EVENTS

Ownership of Jeddah and Riyadh land

Based on the Royal Decree No. 41355 dated 10 Ramadan 1433H to allocate the two plots of land in Riyadh and Jeddah and transfer their ownership from the Ministry of Agriculture to the Group in exchange for an increase in the Public Investment Fund's share in the Group's capital at the market value.

The Group's current head office land and building in Riyadh is provided by the government without any rental payments. During the year 2022, the ownership of Riyadh land has been transferred to the Group, but it is still not recorded in the Group's books as of 31 December 2025, as the Group is currently waiting for the completion of procedures for including the value of the land within Group's capital as stipulated by the Royal Decree, subject to completion of other necessary legal formalities from the relevant authorities.

35. SUBSEQUENT EVENTS

There have been no significant subsequent events since the year-end that require disclosure or adjustment in these financial statements except for that the Group has terminated the memorandum of understanding with the Arabian Agricultural Services Company (ARASCO) without reaching a mutual agreement between the two parties and without any obligation on either side.

36. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were approved and authorized for issue on 12 Ramadan 1447H (corresponding to corresponding to 01 March 2026) by the Board of Directors of the Group.