BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT

For the three-month and six-month periods ended 30 June 2026

Ernst & Young Professional Services (Professional LLC)
Paid-up capital (⃁5,500,000 - Five million five hundred thousand Saudi Riyal)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BALADY POULTRY COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Balady Poultry Company (the "Company") as at 30 June 2026, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes.

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

Scope of review

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

Conclusion

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

For Ernst & Young Professional Services

Hussain Saleh Asiri
Certified Public Accountant
License No. (414)

Jeddah: 26 Safar 1448H
9 August 2026

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شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	**30 June 2026**	31 December 2025
ASSETS		***(Unaudited)*** **⃁**	*(Audited)* ⃁
NON-CURRENT ASSETS			
Property, plant and equipment	7	**275,267,172**	187,313,375
Projects under construction	8	**304,388,140**	233,093,204
Right-of-use assets	9	**73,691,741**	33,764,672
Intangible assets		**4,692,780**	562,000
Other non-current assets		**500,000**	500,000
TOTAL NON-CURRENT ASSETS		**658,539,833**	455,233,251
CURRENT ASSETS			
Inventories	10	**21,717,151**	18,098,229
Biological assets	11	**21,685,822**	12,835,529
Amounts due from related parties	12	**13,914,451**	21,038,606
Prepayments and other receivables	13	**23,788,175**	14,861,973
Trade receivables	14	**25,368,714**	19,261,885
Cash and cash equivalents	15	**84,352,745**	17,440,829
TOTAL CURRENT ASSETS		**190,827,058**	103,537,051
TOTAL ASSETS		**849,366,891**	558,770,302
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	1	**65,700,000**	65,700,000
Retained earnings		**296,652,928**	277,050,045
TOTAL SHAREHOLDERS' EQUITY		**362,352,928**	342,750,045
NON-CURRENT LIABILITIES			
Lease liabilities	9	**41,636,683**	21,050,490
Term loans and borrowings	17	**365,929,822**	150,000,000
Employee's defined benefits liabilities		**9,829,668**	9,216,926
TOTAL NON-CURRENT LIABILITIES		**417,396,173**	180,267,416
CURRENT LIABILITIES			
Lease liabilities	9	**23,401,716**	6,146,343
Amounts due to related parties	12	**1,271,403**	816,831
Accrued expenses and other liabilities	18	**7,547,327**	6,159,234
Trade payables		**36,055,027**	21,165,496
Zakat provision		**1,342,317**	1,464,937
TOTAL CURRENT LIABILITIES		**69,617,790**	35,752,841
TOTAL LIABILTIES		**487,013,963**	216,020,257
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**849,366,891**	558,770,302

Chief Financial Officer | Chief Executive Officer | Chairman

BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month and six-month periods ended 30 June 2026
(All amounts in Saudi Riyals unless otherwise stated)

		For the three-month period ended		***For the six-month period ended***	
	Note	**30 June 2026 *(Unaudited)* ⃁**	*30 June 2025 (Unaudited)* ⃁	**30 June 2026 *(Unaudited)* ⃁**	*30 June 2025 (Unaudited)* ⃁
Revenue	19	**209,881,477**	211,121,212	**398,966,491**	415,255,248
Cost of revenues	20	**(192,461,468)**	(192,377,003)	**(361,930,569)**	(382,085,271)
GROSS PROFIT		**17,420,009**	18,744,209	**37,035,922**	33,169,977
EXPENSES					
Selling and distribution expenses		**(3,960,448)**	(4,078,099)	**(8,424,483)**	(7,813,354)
General and administrative expenses		**(4,758,681)**	(4,112,083)	**(9,369,518)**	(8,241,730)
Allowance for expected credit loss	14	**(172,144)**	-	**(367,557)**	-
Change in fair value of biological assets	11	**(578,726)**	-	**2,141,255**	-
Other income, net		**2,486,004**	974,423	**3,133,973**	2,049,497
PROFIT FROM OPERATIONS		**10,436,014**	11,528,450	**24,149,592**	19,164,390
Finance Income		**116,769**	56,113	**140,251**	310,443
Finance Cost		**(2,134,567)**	(701,169)	**(3,149,854)**	(1,183,643)
PROFIT BEFORE ZAKAT		**8,418,216**	10,883,394	**21,139,989**	18,291,190
Zakat		**(1,170,872)**	527,097	**(1,537,106)**	(222,903)
PROFIT FOR THE PERIOD		**7,247,344**	11,410,491	**19,602,883**	18,068,287
OTHER COMPREHENSIVE INCOME FOR THE PERIOD					
Other comprehensive income that will not to be reclassified to profit or loss in subsequent periods:					
Re-measurement gain on employees defined benefit liabilities		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**7,247,344**	11,410,491	**19,602,883**	18,068,287
EARNING PER SHARE					
Basic and diluted earnings per share for the period	21	**1.10**	1.74	**2.98**	2.75

Chief Financial Officer | Chief Executive Officer | Chairman

The attached notes 1 to 26 form an integral part of these financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS'S EQUITY

For the six-month period ended 30 June 2026

(All Amounts in Saudi Riyals unless otherwise stated)

	Share capital ⃁	Retained earnings ⃁	Total ⃁
Balance as at 1 January 2026	**65,700,000**	**277,050,045**	**342,750,045**
Net profit for the period	**-**	**19,602,883**	**19,602,883**
Other comprehensive income for the period	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**19,602,883**	**19,602,883**
Balance as at 30 June 2026 (unaudited)	**65,700,000**	**296,652,928**	**362,352,928**
Balance as at 1 January 2025	65,700,000	243,240,761	308,940,761
Net profit for the period	-	18,068,287	18,068,287
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	18,068,287	18,068,287
Balance as at 30 June 2025 (unaudited)	65,700,000	261,309,048	327,009,048

Chief Financial Officer

Chief Executive Officer

Chairman

The attached notes 1 to 26 form an integral part of these financial statements.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2026
(All Amounts in Saudi Riyals unless otherwise stated)

	Notes	**30 June 2026** ***(Unaudited)***	30 June 2025 *(Unaudited)*
OPERATING ACTIVITIES:		⃁	⃁
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before zakat		**21,139,989**	18,291,190
Adjustments to reconcile profit for the period before zakat to net cash generated from operating activities			
Depreciation of property, plant, and equipment	7	**11,539,354**	7,350,021
Depreciation of right-of-use assets	9	**6,100,698**	3,001,431
Loss from the disposal of property, plant, and equipment		**-**	89,347
Amortization of intangible assets		**299,350**	79,834
Change in fair value of biological assets	11	**(2,141,255)**	-
Employee's defined benefits liabilities		**1,043,653**	505,548
Allowance for expected credit losses	14	**367,557**	-
Finance income		**(140,251)**	(310,443)
Finance cost		**3,149,854**	1,183,643
		41,358,949	30,190,571
Changes in working capital:			
Prepayments and other receivables		**(12,103,690)**	(5,535)
Trade receivables		**(6,474,386)**	(7,808,375)
Net change in balances with related parties		**7,578,727**	1,032,235
Inventory		**(3,618,922)**	(3,211,664)
Biological assets		**(6,709,038)**	(140,926)
Accrued expenses and other liabilities		**(1,295,980)**	(233,380)
Trade payables		**14,889,531**	3,530,427
Proceeds from finance income		**140,251**	310,443
CASH FLOWS FROM OPERATING ACTIVITIES		**33,765,442**	23,663,796
Employees defined benefits paid		**(430,911)**	-
Zakat paid		**(1,659,726)**	(3,059,143)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**31,674,805**	20,604,653
INVESTING ACTIVITES			
Proceeds from the sale of property, plant and equipment		**-**	325,495
Additions to property, plant, and equipment	7	**(4,065,927)**	(22,864,614)
Additions to projects under construction		**(160,560,325)**	(83,776,900)
Additions to intangible assets		**(4,430,130)**	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(169,056,382)**	(106,316,019)
FINANCING ACTIVITIES			
Proceeds from long term loan		**218,946,472**	61,000,000
Payment of finance cost on long-term loans	17	**(5,002,564)**	-
Payment of lease liabilities	9	**(9,650,415)**	(3,100,524)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**204,293,493**	57,899,476
Net increase (decrease) in cash and cash equivalents		**66,911,916**	(27,811,890)
Cash and cash equivalents at the beginning of the period		**17,440,829**	52,424,790
Cash and cash equivalents at the end of the period		**84,352,745**	24,612,900
NON-CASH TRANSACTIONS			
Additions to right-of-use and lease liabilities		**46,027,767**	-

Chief Financial Officer | Chief Executive Officer | Chairman

The attached notes (1) to (26) form an integral part of these financial statements.

(All Amounts in Saudi Riyals unless otherwise stated)

1. CORPORATE INFORMATION

Balady Poultry Company was incorporated in the Kingdom of Saudi Arabia as a limited liability company under Commercial Registration 5855028225 and Unified Registration No. 7001523757 issued in the city of Khamis Mushait on 18 Rabi al-Thani 1428H (corresponding to May 6, 2007) valid until 18 Jumada al-Ula 1448H (corresponding to October 29, 2026). On 11 Ramadan1443H (corresponding to April 13, 2022), the Company was converted from Limited Liability Company to Closed Joint Stock Company. On 27 Sha'ban 1444H (corresponding to March 19, 2023), the legal entity was changed from a closed joint-stock company to a joint-stock company, along with its rights, obligations, workforce, classification, licenses, and all its financial, technical, and administrative elements, while maintaining the same commercial registry name, number, and date of the entity for the main office, and the same commercial registry name, number, and date of the Company's branches as branches of the Company pursuant to the articles of association.

The General Assembly of Shareholders decided to go for an Initial Public Offering (IPO), which was approved by Capital Market Authority ("CMA") on 28 December 2022. The allotment of shares to shareholders was completed and on 27 Sha'ban1444H (corresponding to March 19, 2023) the Company's ordinary shares began trading on the Parallel Market (Nomu) under the symbol (9559).

Based on the minutes of the Extraordinary General Assembly meeting held on 21 Thul-Hijjah 1445H corresponding to June 27, 2024, the Company's name was changed from Balady Poultry Trading Company to Balady Poultry Company.

The Company is engaged in raising and producing laying hens' mothers and operate its hatcheries, raising and producing broiler hens' mothers and operate its hatcheries, operating slaughterhouses (slaughtering and preparing poultry, rabbit and bird meat), producing all kinds of fresh poultry, rabbit and bird meat, producing refrigerated and frozen meat, producing poultry feed, and producing fertilizers from organic materials. The Company's activity also includes general construction of residential buildings, general construction of non-residential buildings such as schools, hospitals and hotels, and general construction of government buildings, renovations of residential and non-residential buildings. Moreover, the Company's activities include sales agents in pharmaceuticals, wholesale of feed and non-pharmaceutical feed additives, retail sale of frozen meat and poultry, land transportation of goods, transportation of refrigerated and frozen goods.

The Company operates through its Head Office in Khamis Mushait and others branches in Kingdom of Saudi Arabia as below:

Branch name	City	Date	Commercial Registration Number
Balady Poultry Company	Khamis Mushait	27 Safar 1440H (corresponding to 5 November 2018)	5901717195
Balady Poultry Company	Khamis Mushait	13 Rajab 1438H (corresponding to 10 April 2017)	5903036143
Balady Poultry Feed Factory	Khamis Mushait	13 Shawwal 1436H (corresponding to 29 July 2015)	5855068799
Balady Poultry Company factory for fertilizer production	Khamis Mushait	25 Jumada al-Ula 1441H (corresponding to 20 January 2020)	1185102353
Balady Poultry Company Factory	Khamis Mushait	14 Rabi' al-Thani 1441H (corresponding to 11 December 2019)	5855346148
Balady Poultry Company Slaughterhouse	Khamis Mushait	7 Rajab 1437H (corresponding to 14 April 2016)	5855069637
Balady Poultry Company	Khamis Mushait	6 Rabi' al-Thani 1443H (corresponding to 11 November 2021)	1185103598
Balady Poultry Company	Khamis Mushait	26 Rajab 1443H (corresponding to 27 February 2022)	5855358771

1. CORPORATE INFORMATION (Continued)

The Company's authorised, issued and paid-up share capital is divided into 6,570,000 shares of ⃁10 each. The shareholding of the Company, as at 30 June 2026, is as follows:

Shareholders	No. of Shares	%	Total
Almunajem Foods Company	**2,628,000**	**40.00%**	**26,280,000**
Abdul Rahman Ali Saeed Al Mohi Al Shahrani	**617,580**	**9.40%**	**6,175,800**
Muhammad Abdullah Batha Al-Awashez	**617,580**	**9.40%**	**6,175,800**
Hessa Saif Saad Al-Shahrani	**617,580**	**9.40%**	**6,175,800**
Abdul Rahman Saad Mufarreh Al-Shahrani	**610,372**	**9.29%**	**6,103,720**
Turki Abdullah Hashbal Al-Shahrani	**605,688**	**9.22%**	**6,056,880**
Saudi Advanced Industries Company	**328,500**	**5.00%**	**3,285,000**
Other shareholders	**544,700**	**8.29%**	**5,447,000**
	6,570,000		**65,700,000**

2. BASIS OF PREPARATION

2.1 Basis of preparation

These interim condensed financial statements for the three-month and six month periods ended 30 June 2026 have been prepared in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2025 (last annual financial statements). In addition, the results for the three-month and six-month periods ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2.2 Basis of measurement

These interim condensed financial statements are prepared under the historical cost convention, using the accrual basis of accounting except for biological assets, which is measured at fair value.

2.3 Functional and presentational currency

The interim condensed financial statements are presented in Saudi Riyals ("⃁"), which is the functional and presentation currency of the Company. All values are rounded to the nearest Saudi Riyal, except when otherwise indicated.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The IASB issued the accounting standards, amendments effective for periods beginning on or after 1 January 2026. The management has assessed that the amendments have no significant impact on the interim condensed financial statements of the Company.

Standard, interpretation and amendments	***Description***	***Effective date***
Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7	- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date. - Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed. - Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments. - The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).	1 January 2026

(All Amounts in Saudi Riyals unless otherwise stated)

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following is a brief on the other new IFRS and amendments to IFRS, effective for annual periods beginning on or after 1 January 2027. The Company has opted not to early adopt these pronouncements, and they do not have a significant impact on the financial statements of the Company.

Standard, interpretation, amendments	***Description***	***Effective date***
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.	1 January 2027

Expected impact of the initial application of IFRS 18 ("Presentation and Disclosure in Financial Statements")

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements and becomes effective for annual reporting periods beginning on or after 1 January 2027. The new standard introduces new requirements and updates to the statement of profit or loss, with the main objective of improving comparability in the statement of profit or loss and enhancing transparency over management-defined performance measures.

The key new concepts introduced by IFRS 18 include:

- A revised structure of the statement of profit or loss, requiring classification of income and expenses into 5 defined categories based on the entity’s main business activities and presentation of mandatory subtotals;
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general; and
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures).

Balady Poultry Company (A Saudi Joint Stock Company) is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its financial statements.

<u>Structure of the Statement of Profit or Loss</u>
The standard is expected to result in changes to the presentation of certain line items and subtotals in the statement of profit or loss namely operating, investing, financing, zakat/income tax and discontinued operations. This classification depends on the main business activities of the entity.
Based on “Balady Poultry Company (A Saudi Joint Stock Company)” preliminary assessment and the nature of its main business activities, performed to date, Balady Poultry Company (A Saudi Joint Stock Company) expects changes to the current structure of Statement of Profit or Loss to result in:

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTUNUED)

- The Company's principal activities comprise poultry production, hatchery operations, feed production, slaughterhouse operations and related agricultural activities, the Company does not have a specified main business activity related to investing or financing activities. Accordingly, management does not expect significant changes to the measurement of transactions; however, certain presentation changes will be required upon adoption of IFRS 18.
- The Company currently presents "Net profit for the period from operations" and "Net profit for the period before zakat". Under IFRS 18, the statement of profit or loss will be restructured to present the mandatory subtotal "Profit before financing and Zakat".
- The Company currently presents finance income and finance costs separately below operating results. Under IFRS 18, finance income is expected to be classified within the investing category, while finance costs are expected to be classified within the financing category.
- Finance cost on the Company’s end-of-service benefit obligation will be classified and presented within the financing category.
- The Company currently presents changes in the fair value of biological assets within operating results. Management will continue to assess the presentation of this line item under IFRS 18 in light of the Company's principal operating activities and the requirements for classification of income and expenses into the operating category.

Aggregation and disaggregation

The new aggregation and disaggregation requirements will lead into changes to present the most useful structured summary. The Company is assessing how items are aggregated and disaggregated in the primary financial statements and the notes on the basis of similar and dissimilar characteristics.

Certain profit or loss line items description, aggregations and subtotals may change to provide useful structured summaries and disclose additional material information in the notes. The Company is performing a detailed assessment to determine the appropriate classification of items.

The Company currently presents expenses primarily by function. Accordingly, additional note disclosures may be required upon adoption of IFRS 18 to provide information about the nature of expenses included within functional line items. Such disclosures may include depreciation of property, plant and equipment, depreciation of right-of-use assets, employee benefit expenses, impairment losses, expected credit loss expenses and other significant operating expenses.

The Company is also assessing line items currently labeled as “Other income, net” and will use more informative labels that describes the aggregated items as precisely as possible.

Management-defined Performance Measures “MPMs”

Management-defined Performance Measures (MPMs) is a subtotal of income and expenses that entity uses in public communication outside the financial statements that communicates management’s view of an aspect of the financial performance of the entity as a whole. Where applicable, these measures may require quantitative reconciliation to IFRS-defined subtotals together with expanded explanatory disclosures.

“Balady Poultry Company (A Saudi Joint Stock Company)” currently reviewing its public communications (including annual reports, Board reports, Tadawul disclosures, investor communications and press releases) to identify whether any subtotals of income and expenses reported outside the financial statements meet the definition of an MPM under IFRS 18.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTUNUED)

Management-defined Performance Measures "MPMs"(Continued)

Based on the assessment performed to date, the Company does not disclose non-GAAP performance measures such as adjusted EBITDA, adjusted EBIT, underlying profit or similar measures within its interim condensed financial statements. The assessment of public communications remains ongoing, and if any MPMs are identified, the required disclosures (including quantitative reconciliations to the most directly comparable IFRS subtotals) will be prepared and included in the financial statements upon adoption of IFRS 18.

Consequential amendments

"Balady Poultry Company (A Saudi Joint Stock Company)" is also evaluating the consequential amendments arising from IFRS 18, including amendments to IAS 7 Statement of Cash Flows and IAS 34 Interim Financial Reporting.
The Company currently prepares its statement of cash flows using the indirect method and uses profit before zakat as the starting point for determining cash flows from operating activities. Under the amended IAS 7 requirements, the starting point for the reconciliation will change to operating profit or loss.
The consequential amendments also introduce specific requirements relating to the classification of interest and dividend cash flows. The Company is assessing the impact of these amendments on the presentation of its cash flow. Based on the assessment performed to date, management expects the principal impact to relate to the presentation and classification of financing-related cash flows arising from long-term financing arrangements and lease liabilities.

The Company's assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress and additional industry and regulatory guidance becomes available.

5. SEGMENTAL INFORMATION

Operating segments that are participating in the Company's business activities are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, who has been identified as the Chief Executive Officer (CEO). The Board of Directors of Balady Poultry Company has appointed a CEO responsible for managing operational decisions, assessing the Company's financial performance and position, making strategic decisions, and participating in the Company's business activities. The CEO has determined that the Company's operations are organized into a single operating segment that is entirely related to poultry breeding and the sale of chilled and frozen poultry products.

6. USE OF JUDGMENTS AND ESTIMATES

The preparation of the interim condensed financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense, noting that actual results could differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

(All Amounts in Saudi Riyals unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Motor vehicles	Furniture and fixtures	Office equipment	Plant and Equipment	Poultry cages	Refrigerators	Total
	⃁	⃁	⃁	⃁	⃁	⃁	⃁	⃁	⃁
Cost:									
At 1 January 2026	15,879,551	93,165,710	32,779,203	396,737	3,153,919	79,445,799	11,797,437	2,113,389	238,731,745
Additions during the period	-	1,270	1,113,241	13,568	171,418	2,180,430	586,000	-	4,065,927
Transfers from project under construction during the period (note 8)	-	51,971,925	-	8,019	312,778	42,913,600	220,902	-	95,427,224
30 June 2026	**15,879,551**	**145,138,905**	**33,892,444**	**418,324**	**3,638,115**	**124,539,829**	**12,604,339**	**2,113,389**	**338,224,896**
Accumulated Depreciation:									
At 1 January 2026	-	16,272,602	14,409,890	138,696	746,091	14,908,927	3,849,317	1,092,847	51,418,370
Charge for the period	-	2,750,741	1,886,166	18,377	204,412	4,753,560	1,772,422	153,676	11,539,354
30 June 2026	**-**	**19,023,343**	**16,296,056**	**157,073**	**950,503**	**19,662,487**	**5,621,739**	**1,246,523**	**62,957,724**
Net book value:									
30 June 2026	**15,879,551**	**126,115,562**	**17,596,388**	**261,251**	**2,687,612**	**104,877,342**	**6,982,600**	**866,866**	**275,267,172**

As at 30 June 2026 and 31 December 2025, certain lands of the Company's property, plant and equipment were pledged as collateral in connection with the Agricultural Development Fund financing contract (note 17). The total face value of lands pledged amounts to ⃁ 2.5 million. These pledges will remain in place until the obligations under the financing contract are fully settled, or the related guarantees are formally released. Management confirms that the pledged assets remain available for operational use and that no indicators of impairment were identified during the period.

During the six-month period ended 30 June 2026, the Company transferred construction in progress projects amounting to ⃁ 95.4 million to property, plant and equipment upon completion. The transfers mainly related to the new Feed factory project amounting to ⃁ 71.1 million, the Water Station project amounting to ⃁16.2 million, and the New Waste processing facility project amounting to ⃁ 7.1 million.

(All Amounts in Saudi Riyals unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Buildings	Motor vehicles	Furniture and fixtures	Office equipment	Plant and Equipment	Poultry cages	Refrigerators	Total
	⃁	⃁	⃁	⃁	⃁	⃁	⃁	⃁	⃁
Cost:									
At 1 January 2025	14,133,744	53,864,379	28,208,880	351,634	2,851,755	77,556,494	2,896,697	1,693,978	181,557,561
Transfers from project under construction during the year (note 8)	-	38,390,369	-	2,725	224,950	6,596,746	-	-	45,214,790
Additions during the year	1,745,807	910,962	5,472,416	42,378	392,587	19,932,040	9,357,876	736,101	38,590,167
Disposals during the year	-	-	(902,093)	-	(315,373)	(24,639,481)	(457,136)	(316,690)	(26,630,773)
31 December 2025	15,879,551	93,165,710	32,779,203	396,737	3,153,919	79,445,799	11,797,437	2,113,389	238,731,745
Accumulated Depreciation:									
At 1 January 2025	-	13,166,651	11,635,992	105,359	687,350	31,942,874	1,494,051	1,136,567	60,168,844
Charge for the year	-	3,105,951	3,267,217	33,337	335,204	6,800,252	2,723,558	272,950	16,538,469
Disposals during the year	-	-	(493,319)	-	(276,463)	(23,834,199)	(368,292)	(316,670)	(25,288,943)
31 December 2025	-	16,272,602	14,409,890	138,696	746,091	14,908,927	3,849,317	1,092,847	51,418,370
Net Book Value:									
31 December 2025	15,879,551	76,893,108	18,369,313	258,041	2,407,828	64,536,872	7,948,120	1,020,542	187,313,375

The additions and transfers from work in progress during the period for plant and equipment include acquisition and installation of automated chicken reception system amounted to ⃁ 15,177,509.

(All Amounts in Saudi Riyals unless otherwise stated)

8. PROJECTS UNDER CONSTRUCTION

Projects under construction include the expenditures incurred mainly for the construction of a slaughterhouse and a new administrative building. The total estimated cost to complete these committed projects amounts to ⃁ 263,211,861. Management expects to complete these projects during the years 2026 and 2027. The movement in projects under construction is as follows:

	Plant and equipment (note a below)	**Buildings (note b below)**	**Farms**	**Total**
	⃁	⃁	⃁	⃁
At 1 January 2025 (audited)	75,789,480	2,565,640	15,012,326	93,367,446
Additions	156,591,777	4,996,938	23,351,833	184,940,548
Transfers to property, plant and equipment (note 7)	(1,065,512)	(5,785,119)	(38,364,159)	(45,214,790)
31 December 2025 (audited)	**231,315,745**	**1,777,459**	**-**	**233,093,204**
Additions	**162,994,040**	**2,725,530**	**1,002,590**	**166,722,160**
Transfers to property, plant and equipment (note 7)	**(94,424,634)**	**-**	**(1,002,590)**	**(95,427,224)**
30 June 2026 (unaudited)	**299,885,151**	**4,502,989**	**-**	**304,388,140**

(a) Plant and Equipment:

Capital work in progress related to plant and equipment amounted to ⃁ 299.9 million as at 30 June 2026 (31 December 2025: ⃁ 231.3 million). The balance primarily relates to the ongoing development of the Wadi Al Dawasir Slaughterhouse project. During the period, substantial construction and installation expenditures were incurred across these projects. Management expects the remaining projects under plant and equipment to be completed during the second half of 2026.

As at 30 June 2026 and 31 December 2025, the Company had pledged machinery and equipment relating to the Wadi Al Dawasir Slaughterhouse project with a collateral value of ⃁ 176.5 million as collateral in connection with the Agricultural Development Fund financing contract (note 17).

(b) Buildings:

Capital work in progress related to buildings amounted to ⃁ 4.5 million as at 30 June 2026 (31 December 2025: ⃁1.78 million). This balance relates mainly to the construction of the new administrative building located in Wadi Bin Hashbal, which is intended to replace the existing facility and provide improved operational space. During the period, construction activities continued, resulting in additional expenditures and the capitalization of borrowing costs in accordance with IAS 23. As construction progressed, completed portions of the project totaling ⃁ nil were transferred to property, plant and equipment (2025: ⃁ 5.79 million). The project remains under development at the reporting date and is expected to be completed during the year ending 31 December 2027.

(c) Advance payments

As at 30 June 2026, the balance of projects under construction includes advance payments for new building, plant and equipment and enhancement for the farms, amounting to ⃁ 242,799,252 (31 December 2025: ⃁ 179,431,959). These advances relate to contracts for the execution and implementation of buildings and plant and equipment that will be received in accordance with the contract terms during the implementation stages and are expected to be completed by 2026.

(d) Capitalized borrowing cost

During the period ended 30 June 2026, the Company capitalized borrowing costs amounting to ⃁ 6,161,835 as part of the cost of qualifying assets under construction (31 December 2025: ⃁ 3,150,610). These borrowing costs relate to finance cost incurred on long-term financing loans used to fund the construction and development of projects under progress, including ongoing building construction, and major plant and equipment projects such as the Wadi Al Dawasir slaughterhouse, and the central warehouse. The capitalization of borrowing costs has been performed in accordance with IAS 23 Borrowing Costs, until the related assets become substantially ready for their intended use.

(All Amounts in Saudi Riyals unless otherwise stated)

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The right to use the assets consists of agricultural lands, farms and hatcheries that are leased by the company. The duration of the leased lands is 2 -19 years and for the other leased assets it is 2-10 years.

The carrying value of the recognized right-of-use assets and changes during the period/year are as follows:

	30 June 2026 *(Unaudited)* ⃁	31 December 2025 *(Audited)* ⃁
Balance at the beginning of the period /year	**33,764,672**	32,152,510
Additions during the period/year	**46,027,767**	6,763,859
Depreciation charged during the period/year	**(6,100,698)**	(5,151,697)
Balance, at the end of the period / year	**73,691,741**	33,764,672

Lease liabilities as follows:

	30 June 2026 *(Unaudited)* ⃁	31 December 2025 *(Audited)* ⃁
Balance at the beginning of the period /year	**27,196,833**	26,184,811
Accretion of finance cost during the period /year	**1,464,214**	1,888,480
Addition during the period /year	**46,027,767**	6,763,859
Payment during the period /year	**(9,650,415)**	(7,640,317)
Balance at the end of the period / year	**65,038,399**	27,196,833

The classification of lease liabilities in the statement of financial position is as follows:

	30 June 2026 *(Unaudited)* ⃁	31 December 2025 *(Audited)* ⃁
Lease liabilities - non-current portion	**41,636,683**	21,050,490
Lease liabilities - current portion	**23,401,716**	6,146,343
At the end of the period /year	**65,038,399**	27,196,833

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, as permitted under IFRS 16. Lease payments related to these exempted leases are recognized as an expense on a straight-line basis over the lease term and the total expense amounted ⃁ 736,237 for the six-month period ended 30 June 2026 (30 June 2025: ⃁ 684,146) and ⃁ 17,350 for the three-month period ended 30 June 2026 (30 June 2025: ⃁ 336,399).

(All Amounts in Saudi Riyals unless otherwise stated)

10. INVENTORIES

	30 June 2026	31 December 2025
	(Unaudited)	*(Audited)*
	⃁	⃁
Materials and consumables	**19,196,257**	14,061,558
Feed	**2,296,078**	2,232,714
Finished goods	**1,805,503**	3,384,644
	23,297,838	19,678,916
Provision for slow-moving inventory	**(1,580,687)**	(1,580,687)
	21,717,151	18,098,229

11. BIOLOGICAL ASSETS

The following are categories of biological assets:

	30 June 2026	31 December 2025
	(Unaudited)	*(Audited)*
	⃁	⃁
Broiler chickens	**14,701,630**	5,555,231
Hatcher eggs	**6,984,192**	7,280,298
	21,685,822	12,835,529

The movement on biological assets is as follows:

	30 June 2026	31 December 2025
	(Unaudited)	*(Audited)*
	⃁	⃁
Balance at the beginning of the period /year	**12,835,529**	10,797,092
Additions during the period /year	**128,918,068**	201,896,144
Transferred to inventory during the period /year	**(90,838,538)**	(95,721,697)
Chicks Sales during the period /year	**(31,370,492)**	(104,136,010)
Change in fair value of biological assets	**2,141,255**	-
Balance at the end of the period / year	**21,685,822**	12,835,529

	2026	2025
	(Unaudited)	*(Unaudited)*
	⃁	⃁
Cumulative gain in fair value of biological assets as of 30 June	**2,141,255**	-
Cumulative gain in fair value of biological assets as of 31 March	**2,719,981**	-
Net change in fair value of biological assets for 3 months period ended 30 June	**(578,726)**	-

(All Amounts in Saudi Riyals unless otherwise stated)

11. BIOLOGICAL ASSETS (Continued)

Valuation of biological assets and sensitivity to the valuation inputs

Fair value measurements for broiler chickens are classified as Level 3, fair values based on the inputs used in the valuation techniques. Valuation techniques and significant unobservable inputs used to value biological assets are as follows:

Biological assets	Valuation technique	Significant unobservable inputs	Relationship between the key unobservable principal inputs and fair value measurement
Broiler	The valuation model considers the average live weight of the birds, the mortality rate, and the estimated selling price less the cost to sell [including the additional cost required to bring the birds ready for sale (i.e. the cost of feed, medicines and overhead expenses).	- Mortality - Average live weight - Fully-grown broiler - selling price less - cost to sell.	the estimated fair value would increase / (decrease) if: - Mortality decreased / (increased) -Average live birds weight increased / (decreased) - Fully-grown broiler selling price less cost to sell increased / (decreased)

Key inputs used in the valuation of biological assets are as follows:

- The mortality rate of broiler chickens was determined based on the historical rate and environmental elements.
- Broiler chickens grow at different rates. There may be a large margin of quality and weight of the chicken that affects the price achieved. An assumption is made for the average weight of broiler chickens that can be slaughtered and whose weight has not yet reached marketability.

Other disclosures

As at 30 June 2026, the Company had 3,537,144 broiler chickens and 4,857,626 hatching eggs (as of 31 December 2025: 1,383,923 broiler chickens and 5,314,652 hatching eggs).

12. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent shareholders, affiliates (the Company and the entities that are members of the same group), directors and key management personnel of the Company. The significant transactions between the Company and the affiliates are disclosed below. The terms and conditions of these transactions are agreed by management of the parties concerned with parties.

The following are balances due from related parties:

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
	⃁	⃁
Almunajem Foods Company	**12,451,411**	6,723,171
Abdul Rahman bin Mohi Establishment	**692,340**	90,293
Abdulrahman Al-Qatami Company Limited	**521,830**	-
Muhit Al Sharq Real Estate Company	**248,870**	6,021,030
Muhammad Abdullah Batha Al-Awashez Establishment	**-**	6,762,067
Jarbou Al-Shahrani Poultry Farm	**-**	1,442,045
	13,914,451	21,038,606

(All Amounts in Saudi Riyals unless otherwise stated)

12. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

The following are balances due to related parties:

	30 June 2026 ***(Unaudited)*** ⃁	31 December 2025 *(Audited)* ⃁
Muhammad Abdullah Batha Al-Awashez Establishment	**696,184**	-
Fifth Power Agricultural Company	**364,529**	-
Jarbou Al-Shahrani Poultry Farm	**210,690**	-
Abdulrahman Al-Qatami Company Limited	**-**	816,831
	1,271,403	816,831

Below are the most significant transactions with related parties:

Related Party	**Nature of relationship**	**Transaction type**	**30 June 2026** ***(Unaudited)*** ⃁	30 June 2025 *(Unaudited)* ⃁
Jarbou Al-Shahrani Poultry Farm	Affiliate	Sales	**3,648,276**	3,605,696
		Transfers	**66,747**	843,505
		Purchases	**5,371,400**	5,073,823
Muhit Al Sharq Real Estate Company	Affiliate	Sales	**15,921,870**	34,624,359
		Transfers	**5,742,622**	3,571,621
		Purchases	**27,076,761**	38,868,051
		Farms rent	**362,090**	
Muhammad Abdullah Batha Al-Awashez Establishment	Affiliate	Sales	**20,589,430**	40,065,497
		Transfers	**3,503,982**	4,400,305
		Purchases	**31,157,502**	51,545,577
		Farms rent	**455,031**	
Almunajem Foods Company	Shareholder	Sales	**145,572,390**	25,296,301
Abdulrahman Al-Qatami Company Limited	Affiliate	Sales	**2,567,268**	10,086,404
		Transfers	**3,414,607**	1,034,422
		Purchases	**2,409,652**	10,239,563
		Farms rent	**2,241,329**	
Fifth Power Agricultural Company	Affiliate	Transfers	**9,650,280**	-
		Purchase	**10,035,343**	-

During the period ended at 30 June 2026, the Company entered into a strategic partnership agreement for joint production, packaging and distribution with Almunajem Foods Company, where Almunajem Foods Company will market and distribute the poultry products according to this agreement in the markets inside and outside the kingdom of Saudi Arabia.

(All Amounts in Saudi Riyals unless otherwise stated)

12. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

During 2025, the Company entered into a lease agreement with a related party, Mr. Abdul Rahman bin Mohi, for a chicken farm owned by him. The lease commenced in 2025 for a two-year term with a semiannual lease payment of ⃁663,534. As of 30 June 2026, lease payments made amounted to ⃁663,534, and the present value of the lease liability was ⃁ 1,292,894 and this amount presented as lease liabilities (note 9).

During the period ended at 30 June 2026, the Company entered into a lease agreement with a related party, Abdulrahman Al-Qatami Company Limited, for a chicken farm land owned by the entity. The lease commenced in 2026 for a 3 years term with a semiannual lease payment of ⃁1,948,982. As of 30 June 2026, lease payments amounted to ⃁1,948,982, and the present value of the lease liability was ⃁ 9,128,692 and this amount presented as lease liabilities (note 9).

During the period ended at 30 June 2026, the Company entered into a lease agreement with a related party, Muhit Al Sharq Real Estate Company, for a chicken farm owned by the entity. The lease commenced in 2026 for a 3 years term with a semiannual lease payment of ⃁314,860 . As of 30 June 2026, lease payments made amounted to ⃁314,860, and the present value of the lease liability was ⃁ 1,474,753 and this amount presented as lease liabilities (note 9).

During the period ended at 30 June 2026, the Company entered into a lease agreements with a related party, Muhammad Abdullah Batha Al-Awashez Establishment, for a chicken farms owned by the entity. The leases commenced in 2026 for a 2-3 years term with a semiannual lease payments of ⃁ 455,031. As of 30 June 2026, lease payments made amounted to ⃁ 455,031, and the present value of the lease liability was ⃁ 1,537,184 and this amount presented as lease liabilities (note 9).

Compensation of key management personnel

Key management personnel compensation represents amounts paid to individuals with the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any manager (executive or otherwise). Compensation includes: (Short-term benefits, long-term benefits, post-employment benefits, termination benefits).

	30 June 2026 *(Unaudited)*	30 June 2025 *(Unaudited)*
	⃁	⃁
Key executives & Senior management Salaries and allowances	**2,212,671**	1,871,371
Remuneration for the Board of Directors and audit committee	**624,500**	300,000
	2,837,171	2,171,371

(All Amounts in Saudi Riyals unless otherwise stated)

13. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 (Unaudited) ⃁	31 December 2025 (Audited) ⃁
Advances to suppliers	**17,714,305**	10,120,973
Value added tax	**5,173,321**	-
Prepaid expenses	**1,310,619**	1,264,265
Employees' receivables	**683,004**	472,902
Other	**110,877**	4,207,784
Provisions for impairment on other assets	**(1,203,951)**	(1,203,951)
	23,788,175	14,861,973

14. TRADE RECEIVABLES

	30 June 2026 (Unaudited) ⃁	31 December 2025 (Audited) ⃁
Trade receivables	**26,392,598**	19,918,212
Allowance for expected credit loss	**(1,023,884)**	(656,327)
	25,368,714	19,261,885

Movement in expected credit losses allowance is as follows:

	30 June 2026 (Unaudited) ⃁	31 December 2025 (Audited) ⃁
Balance at the beginning of the period /year	**656,327**	705,026
Charge / (Reversal) during the period /year	**367,557**	(48,699)
Balance at the end of the period / year	**1,023,884**	656,327

15. CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited) ⃁	31 December 2025 (Audited) ⃁
Cash at banks	**82,773,306**	16,408,281
Cash on hand	**1,579,439**	1,032,548
Balance at the end of the period / year	**84,352,745**	17,440,829

(All Amounts in Saudi Riyals unless otherwise stated)

16. DIVIDENDS

No dividends were distributed during the period ended 30 June 2026. (31 December 2025: nil).

17. TERM LOANS AND BORROWINGS

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
	⃁	⃁
Loan from a local bank (note A)	**305,000,000**	150,000,000
Loans from Saudi Agricultural Development Fund (note B)	**60,929,822**	**-**
	365,929,822	150,000,000

A- On 27 April 2025, the Company signed a Shariah-compliant term loan and a Shariah-compliant banking facility agreement with a local bank totaling ⃁433 million at a market rate. The purpose of the facilities is to finance working capital, strategic expansions, and the purchase of production equipment.

Long-term credit Facilities

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
	⃁	⃁
Balance at the beginning of the period /year	**150,000,000**	-
Withdrawal during the period /year	**155,000,000**	150,000,000
Balance at the end of the period / year	**305,000,000**	150,000,000

	30 June 2026 *(Unaudited)*	31 December 2025 *(Audited)*
Accrued finance cost at the beginning of the period/year	**1,591,806**	-
Finance cost charging during the period /year	**7,686,637**	3,349,895
Finance cost payments during the period /year	**(5,002,564)**	(1,758,089)
Accrued finance cost at the end of the period / year	**4,275,879**	1,591,806

(All Amounts in Saudi Riyals unless otherwise stated)

17. TERM LOANS AND BORROWINGS (Continued)

During the six-month period ended 30 June 2026, the Company withdrew ⃁155 million under its existing credit facilities to finance strategic expansion and the purchase of production equipment. The loan carries a term of 84 months, including a 24-month grace period. The first finance cost installment is scheduled to be paid within three-month from the respective drawdown date, it carries a variable finance cost rate based on the 3-month SAIBOR, plus agreed margin.

During 2025, the Company withdrew ⃁150 million under its existing credit facilities to finance strategic expansion and the purchase of production equipment. The loan carries a term of 84 months, including a 24-month grace period. The first finance cost installment is scheduled to be paid within three-month from the respective drawdown date, it carries a variable finance cost rate based on the 3-month SAIBOR, plus agreed margin.

B- On 16 October 2025 (corresponding to 3 Jumada Al-Awwal 1447H), the Company signed a Shariah-compliant financing agreement with the Saudi Agricultural Development Fund (“ADF”) for a total facility amount of ⃁280.5 million to finance the Automated Slaughterhouse Project. The financing is repayable in ten equal annual installments of ⃁28.1 million each, commencing on 16 October 2028 and continuing until 16 October 2037 at below market rate. The difference between the fair value and the face value of the loan is classified under deferred finance cost, which represents the benefits of the below market rate interest loan.

As part of the agreement, the Company pledged project assets (machinery and equipment) with a collateral value of ⃁176.5 million, in addition to several real estate properties mortgaged in favour of ADF, further guarantees include a corporate guarantee from Almunajem Foods Company amounting to ⃁178.1 million and five notarized undertakings from other shareholders (Sukuk Tawtheeq) of ⃁26.4 million each.

The discounted value of the amount withdrawn as at 30 June 2026 is as follows:

	30 June 2026 *(Unaudited)* ⃁
Government loan at fair value	**53,794,051**
Deferred finance cost	**7,135,771**
Government loan at face value at the end of the period	**60,929,822**

(All Amounts in Saudi Riyals unless otherwise stated)

17. TERM LOANS AND BORROWINGS (Continued)

The finance costs incurred during the period in relation to loans consist of the following:

	For the three-month period ended		For the six-month period ended	
	30 June 2026 ***(Unaudited)*** **⃁**	30 June 2025 *(Unaudited)* ⃁	**30 June 2026** ***(Unaudited)*** **⃁**	30 June 2025 *(Unaudited)* ⃁
Finance cost comprehensive income statement	**1,298,510**	229,144	**1,685,640**	229,144
Capitalized finance cost	**3,177,950**	-	**6,161,835**	-
	4,476,460	229,144	**7,847,475**	229,144

18. ACCRUED EXPENSES AND OTHER LIABILTIES

This item consists of the following:

	30 June 2026 ***(Unaudited)*** **⃁**	31 December 2025 *(Audited)* ⃁
Accrued finance cost	**4,275,879**	1,591,806
Accrued salaries and related benefits	**2,157,771**	2,631,459
Advances from customers	**742,466**	727,606
Accrued expenses	**368,900**	860,474
Value added tax	**-**	330,643
Other	**2,311**	17,246
	7,547,327	6,159,234

19. REVENUE

The Company's revenue is generated from the sale of products mainly to customers in Kingdom of Saudi Arabia. The Company recognized all the revenue at a point in time.

	For the three-month period ended		For the six-month period ended	
	30 June 2026 ***(Unaudited)*** **⃁**	30 June 2025 *(Unaudited)* ⃁	**30 June 2026** ***(Unaudited)*** **⃁**	30 June 2025 *(Unaudited)* ⃁
Chicken sales	**151,669,908**	127,446,839	**295,512,846**	263,648,437
Feed sales	**35,129,422**	49,701,662	**62,759,580**	92,580,683
Chicks sales	**17,677,490**	28,620,569	**32,274,237**	48,791,071
Pharmaceutical- medicine and vaccines sales	**1,872,858**	3,369,551	**3,125,946**	5,094,280
Other sales	**3,531,799**	1,982,591	**5,293,882**	5,140,777
	209,881,477	211,121,212	**398,966,491**	**415,255,248**

All sales are recognized at point in time.

(All Amounts in Saudi Riyals unless otherwise stated)

19. REVENUE (Continued)

Revenue distribution by geographical area:

	For the three-month period ended		For the six-month period ended	
	30 June 2026 *(Unaudited)* ⃁	30 June 2025 *(Unaudited)* ⃁	**30 June 2026 *(Unaudited)* ⃁**	30 June 2025 *(Unaudited)* ⃁
Saudi Arabia	**209,673,912**	210,735,148	**398,467,589**	414,715,344
Other GCC countries	**-**	173,664	**83,300**	263,664
Other countries	**207,565**	212,400	**415,602**	276,240
	209,881,477	211,121,212	**398,966,491**	415,255,248

20. COSTS OF REVENUE

	For the three-month period ended		For the six-month period ended	
	30 June 2026 *(Unaudited)* ⃁	30 June 2025 *(Unaudited)* ⃁	**30 June 2026 *(Unaudited)* ⃁**	30 June 2025 *(Unaudited)* ⃁
Direct costs	**160,377,379**	171,181,089	**305,534,686**	340,469,400
Salaries and wages and related benefits	**10,584,387**	8,637,111	**19,522,944**	16,519,336
Depreciation of property, plant and equipment	**5,474,392**	3,343,981	**9,666,038**	6,048,760
Amortization of right-of-use assets	**3,795,328**	1,144,681	**6,100,698**	3,001,431
Fuel	**2,955,278**	1,948,534	**5,200,215**	3,799,195
Maintenance and support services	**2,740,846**	1,679,358	**4,340,631**	3,681,974
Water	**1,483,161**	1,681,739	**2,878,835**	3,152,698
Residency, insurance, and Government expenses	**797,694**	647,439	**2,195,514**	1,198,159
Transportation expenses	**2,037,777**	346,147	**2,104,903**	772,816
Electricity	**1,155,440**	550,542	**1,813,325**	1,107,982
Others	**1,059,786**	1,216,382	**2,572,780**	2,333,520
	192,461,468	192,377,003	**361,930,569**	382,085,271

(All Amounts in Saudi Riyals unless otherwise stated)

21. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares in issue outstanding during the period. The diluted EPS is same as the basic EPS as the Company does not have any dilutive instruments in issue.

	For the three-month period ended		For the six-month period ended	
	30 June 2026 ***(Unaudited)*** **⃁**	30 June 2025 *(Unaudited)* ⃁	**30 June 2026** ***(Unaudited)*** **⃁**	30 June 2025 *(Unaudited)* ⃁
Net profit attributable to ordinary shareholders	**7,247,344**	11,410,491	**19,602,883**	18,068,287
Weighted average number of ordinary shares	**6,570,000**	6,570,000	**6,570,000**	6,570,000
Basic and diluted earnings per share	**1.10**	1.74	**2.98**	2.75

22. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company’s activities are exposed to a variety of financial risks which mainly include market risk (including foreign exchange risk, interest rate risk and price risk) credit risk and liquidity risk. The interim condensed financial statements do not include all the financial risk management information and disclosures required in the annual financial statements; and therefore, should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2025. There have been no changes in the risk management policies during the three-month and six-month periods ended 30 June 2026.

The Company’s financial assets consist of cash and cash equivalents, amounts due from related parties, accounts receivables and other receivables. Its financial liabilities consist of accounts payables, lease liabilities, term loans includes loans below market rate, and other current liabilities.

Management believes that the fair value of the financial instruments of the Company at the reporting date approximate their carrying value.

23. CONTINGENCIES AND CAPITAL COMMITMENTS

As at 30 June 2026, the Company had capital commitments related to the renovation of the Company’s production lines, facilities and factories amounted to ⃁263,211,861 (31 December 2025: ⃁427,139,451).

24. SUBSEQUENT EVENT

In the opinion of the management, there have been no significant subsequent events since the period ended 30 June 2026 which would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.

25. Recent geopolitical developments in the Middle East

During the current period, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasize the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

The Company has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these geopolitical events on future periods.

Management has also considered the impact of these events on the Company's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

26. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Board of Directors on 23 Safar 1448H corresponding to 6 August 2026).