

**BALADY POULTRY COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

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

**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

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

For the three-month period ended 31 March 2026

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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 31 March 2026, and the related interim condensed statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-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") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### **Scope of Review**

We 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 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

### **Other matter**

The Company's interim condensed financial statements of the three-month periods ended 31 March 2025 were reviewed by another auditor who expressed an unmodified review conclusion on those financial statements on 7 May 2025 (corresponding to 9 Dhu'l-Qa'da 1446H).

For Ernst & Young Professional Services



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



Jeddah: 26 Thul-Qi'dah 1447H  
13 May 2026G

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 31 March 2026

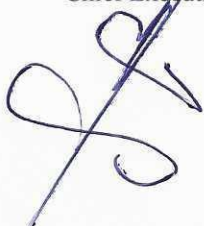
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	31 March 2026 (Unaudited) S	31 December 2025 (Audited) S
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	183,989,087	187,313,375
Projects under construction	8	333,246,734	233,093,204
Right of use assets	9	50,620,938	33,764,672
Intangible assets		4,844,411	562,000
Other non-current assets		500,000	500,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>573,201,170</b>	<b>455,233,251</b>
<b>CURRENT ASSETS</b>			
Inventories	10	25,857,786	18,098,229
Biological assets	11	22,213,308	12,835,529
Amounts due from related parties	12	14,897,265	21,038,606
Prepayments and other receivables	13	14,957,883	14,861,973
Trade receivables	14	15,081,211	19,261,885
Cash and cash equivalents	15	39,569,017	17,440,829
<b>TOTAL CURRENT ASSETS</b>		<b>132,576,470</b>	<b>103,537,051</b>
<b>TOTAL ASSETS</b>		<b>705,777,640</b>	<b>558,770,302</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	1	65,700,000	65,700,000
Retained earnings		289,405,584	277,050,045
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>355,105,584</b>	<b>342,750,045</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	9	29,061,683	21,050,490
Term loans and borrowings	17	255,000,000	150,000,000
Employee's defined benefits liabilities		9,506,664	9,216,926
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>293,568,347</b>	<b>180,267,416</b>
<b>CURRENT LIABILITIES</b>			
Lease liabilities	9	11,197,078	6,146,343
Amounts due to related parties	12	-	816,831
Accrued expenses and other liabilities	18	10,791,311	6,159,234
Trade payables		33,284,149	21,165,496
Zakat provision		1,831,171	1,464,937
<b>TOTAL CURRENT LIABILITIES</b>		<b>57,103,709</b>	<b>35,752,841</b>
<b>TOTAL LIABILITIES</b>		<b>350,672,056</b>	<b>216,020,257</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>705,777,640</b>	<b>558,770,302</b>

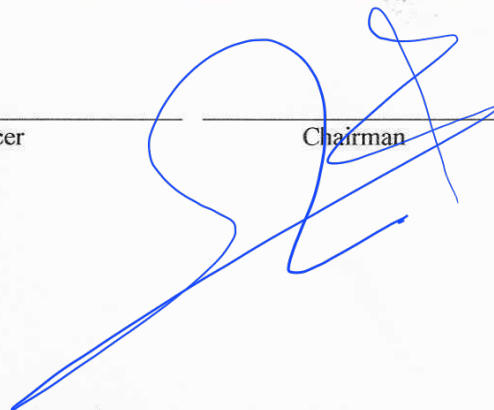
Chief Financial Officer



Chief Executive Officer



Chairman



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

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME**

For the three-month period ended 31 March 2026  
 (All amounts in Saudi Riyals unless otherwise stated)

	Notes	31 March 2026 (Unaudited) S	31 March 2025 (Unaudited) S
Revenue	19	189,085,014	204,134,036
Costs of revenue	20	(169,469,101)	(189,708,268)
<b>Gross profit</b>		<b>19,615,913</b>	<b>14,425,768</b>
Selling and marketing expenses		(4,464,035)	(3,735,255)
General and administrative expenses		(4,610,837)	(4,129,647)
Allowance for expected credit loss	14	(195,413)	-
Change in fair value of biological assets	11	2,719,981	-
Other income, net		647,969	1,329,404
<b>NET PROFIT FOR THE PERIOD FROM OPERATIONS</b>		<b>13,713,578</b>	<b>7,890,270</b>
Finance income		23,482	-
Finance cost		(1,015,287)	(482,474)
<b>Net profit for the period before zakat</b>		<b>12,721,773</b>	<b>7,407,796</b>
Zakat		(366,234)	(750,000)
<b>NET PROFIT FOR THE PERIOD</b>		<b>12,355,539</b>	<b>6,657,796</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>Items that will not be reclassified subsequently to the statement of profit or loss</b>			
Remeasurement loss on employee's defined benefits liabilities		-	-
<b>TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>12,355,539</b>	<b>6,657,796</b>
<b>EARNINGS PER SHARE</b>			
Basic and diluted earnings per share for the period	21	<b>1.88</b>	<b>1.01</b>

Chief Financial Officer

Chief Executive Officer

Chairman

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

**BALADY POULTRY COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

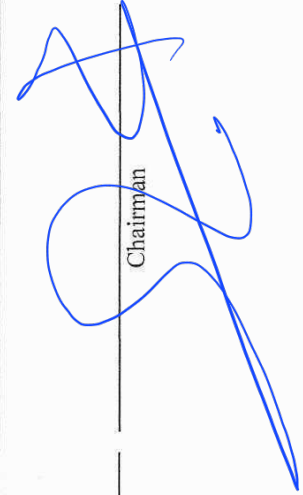
For the three-month period ended 31 March 2026  
(All Amounts in Saudi Riyals unless otherwise stated)

	Share capital ﷲ	Retained earnings ﷲ	Total ﷲ
<b>Balance as at 1 January 2026</b>	<b>65,700,000</b>	<b>277,050,045</b>	<b>342,750,045</b>
Net profit for the period	-	<b>12,355,539</b>	<b>12,355,539</b>
Other comprehensive Loss for the period	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>12,355,539</b>	<b>12,355,539</b>
<b>Balance as at 31 March 2026 (Unaudited)</b>	<b>65,700,000</b>	<b>289,405,584</b>	<b>355,105,584</b>
<b>Balance as at 1 January 2025</b>	<b>65,700,000</b>	<b>243,240,761</b>	<b>308,940,761</b>
Net profit for the period	-	<b>6,657,796</b>	<b>6,657,796</b>
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>6,657,796</b>	<b>6,657,796</b>
<b>Balance as at 31 March 2025 (Unaudited)</b>	<b>65,700,000</b>	<b>249,898,557</b>	<b>315,598,557</b>

Chief Financial Officer



Chief Executive Officer



Chairman

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

	Notes	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
<b>OPERATING ACTIVITIES:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the period before zakat		12,721,773	7,407,796
<b>Adjustments to reconcile net profit for the period before zakat to net cash generated from operating activities</b>			
Depreciation of property, plant, and equipment	7	5,103,817	3,282,651
Depreciation of right of use assets	9	2,305,370	1,856,751
Loss from the disposal of property, plant, and equipment		-	(110,312)
Amortization of intangible assets		147,719	39,697
Change in fair value of biological assets	11	(2,719,981)	-
Employee's defined benefits liabilities		531,256	206,416
Allowance for expected credit losses	14	195,413	-
Finance income		(23,482)	-
Finance cost		1,015,287	482,474
		<u>19,277,172</u>	<u>13,165,473</u>
<b>Changes in working capital:</b>			
Prepayments and other receivables		(95,910)	(9,511,339)
Trade receivables		3,985,261	(3,267,969)
Net change in balances with related parties		5,324,510	13,870,431
Inventory		(7,759,557)	15,417,638
Biological assets		(6,657,798)	(28,634,865)
Accrued expenses and other liabilities		3,428,039	6,688,199
Trade payables		12,118,653	513,957
Proceeds from Finance income		23,482	-
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<u>29,643,852</u>	<u>8,241,525</u>
Employee's defined benefits paid		(241,518)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<u>29,402,334</u>	<u>8,241,525</u>
<b>INVESTING ACTIVITIES</b>			
Proceeds from the sale of property, plant and equipment		-	400,103
Additions to property, plant, and equipment	7	(1,779,529)	(17,130,081)
Additions to projects under construction		(97,169,645)	(21,734,448)
Additions to intangible assets		(4,430,130)	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<u>(103,379,304)</u>	<u>(38,464,426)</u>
<b>FINANCING ACTIVITIES</b>			
Proceeds from long term loan	17	105,000,000	-
Payment of finance cost on long-term loans	17	(2,166,977)	-
Payment of lease liabilities	9	(6,727,865)	(3,079,252)
<b>NET CASH FLOWS FROM(USED) IN FINANCING ACTIVITIES</b>		<u>96,105,158</u>	<u>(3,079,252)</u>
Net decrease in cash and cash equivalents		22,128,188	(33,302,153)
Cash and cash equivalents at the beginning of the period		17,440,829	52,424,790
<b>Cash and cash equivalents at the end of the period</b>		<u>39,569,017</u>	<u>19,122,637</u>
<b>NON-CASH TRANSACTIONS</b>			
Additions to right of use and lease liabilities		19,161,636	-

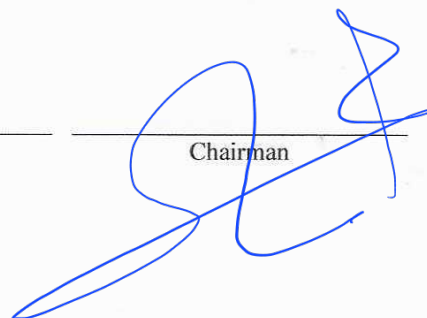
Chief Financial Officer



Chief Executive Officer



Chairman



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

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

**1 CORPORATE INFORMATION**

Balady Poultry Trading 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 Ramadan 1443H (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'ban 1444H (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:

<b>Branch name</b>	<b>City</b>	<b>Date</b>	<b>Commercial Registration Number</b>
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

# BALADY POULTRY COMPANY

## (A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

### 1 CORPORATE INFORMATION (Continued)

The Company's authorised, issued and paid-up share capital is divided into 6,570,000 shares of ﷲ 10 each. The shareholding of the Company, as at 31 March 2026, is as follows:

Shareholders	No. of Shares	%	Total
Almunajem Foods Company	2,628,000	40.0%	26,280,000
Abdul Rahman Ali Saeed Al Mohi Al Shahrani	617,580	9.4%	6,175,800
Muhammad Abdullah Batha Al-Awashez	617,580	9.4%	6,175,800
Abdul Rahman Saad Mufarreh Al-Shahrani	617,580	9.4%	6,175,800
Hessa Saif Saad Al-Shahrani	617,580	9.4%	6,175,800
Turki Abdullah Hashbal Al-Shahrani	605,688	9.22%	6,056,880
Saudi Advanced Industries Company	328,500	5.0%	3,285,000
Other shareholders	537,492	8.18%	5,374,920
	<u>6,570,000</u>		<u>65,700,000</u>

### 2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

#### 2.1 Basis of preparation

These interim condensed financial statements for the three-month period ended 31 March 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, results for the three-month month period ended 31 March 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 ("ﷲ"), which is the functional and presentation currency of the Company. All values are rounded to the nearest Saudi Riyal, except when otherwise indicated.

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

**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 and interim condensed financial statements for the three month period ended 31 March 2025, except for the adoption of new standards effective as of 1 January 2026, and the change in the accounting policy applied for biological assets as noted below. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

<b>Accounting Policy applied as at 31 March 2025</b>	<b>Accounting Policy applied as at 31 March 2026</b>
<p>Biological assets consist of hatching eggs and broiler chickens, which have a short production cycle not exceeding 30 days. Biological assets are measured at fair value less selling costs unless fair value cannot be reliably measured, in which case they are measured at historical cost plus capitalized costs necessary to prepare both hatching eggs and broiler chickens for use (such a hatchery cost for hatching eggs and feed, medication and indirect cost for broiler chickens), less any impairment losses, if applicable.</p> <p>Due to the absence of an active market for broiler chickens of hatching eggs in Saudi Arabia, the lack of observable market data, and the inability of the company's management to obtain reliable data that can be used as inputs or indicators to support fair value measurement based in income, replacement cost, or market approach in accordance with IFRS 13 (Fair Value Measurement), biological assets have been measured at cost. If such data becomes available in the future, the company will adjust the measurement of biological assets to fair value instead of cost</p>	<p>Biological assets consist of hatching eggs and broiler chickens, which have a short production cycle not exceeding 30 days. Biological assets are stated at fair value less cost to sell. The fair value measurements for biological assets have been recognised as Level 3. Fair value inputs based on the inputs to the valuation techniques used. The cost to sell includes all cost that would be necessary to sell the biological assets. Changes in fair value of poultry are recognised in statements of profit or loss as part of cost of sales. Costs related to growing the poultry are expensed as incurred.</p>

As a result of the change in accounting policy, management has assessed that the changes have no significant impact on the Company's interim condensed financial statements as of 31 March 2025 and for the three-month period then ended.

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)**

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

**3- NEW AND AMENDED STANDARDS AND INTERPRETATIONS (Continued)**

The Company has not early adopted any standard, interpretation or amendment that have been issued but is not yet effective. 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.

<i>Standard, interpretation and amendments</i>	<i>Description</i>	<i>Effective date</i>
Amendments to the Classification and Measurement of Financial Instruments— Amendments to IFRS 9 and IFRS 7	<ul style="list-style-type: none"> <li>- 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</li> <li>- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed</li> <li>- Clarifications on what constitute ‘non-recourse features’ and what are the characteristics of contractually linked instruments</li> <li>- 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).</li> </ul>	1 January 2026

**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.

<i>Standard, interpretation, amendments</i>	<i>Description</i>	<i>Effective date</i>
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

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

**4- NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**  
**(continued)**

***Standard,  
interpretation,  
amendments***

***Description***

***Effective date***

IFRS 18 Presentation  
and Disclosure in  
Financial Statements

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

1 January 2027

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

**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.

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**7. PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Motor vehicles	Furniture and fixtures	Office equipment	Plant and Equipment	Poultry cages	Refrigerators	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
<b>Cost:</b>									
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	998,940	3,163	131,184	309,972	335,000	-	1,779,529
<b>31 March 2026</b>	<b><u>15,879,551</u></b>	<b><u>93,166,980</u></b>	<b><u>33,778,143</u></b>	<b><u>399,900</u></b>	<b><u>3,285,103</u></b>	<b><u>79,755,771</u></b>	<b><u>12,132,437</u></b>	<b><u>2,113,389</u></b>	<b><u>240,511,274</u></b>
<b>Accumulated Depreciation:</b>									
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	-	1,148,672	937,572	8,971	97,061	1,969,751	865,325	76,465	5,103,817
<b>31 March 2026</b>	<b><u>-</u></b>	<b><u>17,421,274</u></b>	<b><u>15,347,462</u></b>	<b><u>147,667</u></b>	<b><u>843,152</u></b>	<b><u>16,878,678</u></b>	<b><u>4,714,642</u></b>	<b><u>1,169,312</u></b>	<b><u>56,522,187</u></b>
<b>Net Book Value:</b>									
<b>31 March 2026</b>	<b><u>15,879,551</u></b>	<b><u>75,745,706</u></b>	<b><u>18,430,681</u></b>	<b><u>252,233</u></b>	<b><u>2,441,951</u></b>	<b><u>62,877,093</u></b>	<b><u>7,417,795</u></b>	<b><u>944,077</u></b>	<b><u>183,989,087</u></b>

As at 31 March 2026 and 31 December 2025, certain items 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 ﷲ 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.

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**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

	Land	Buildings	Motor vehicles	Furniture and fixtures	Office equipment	Plant and Equipment	Poultry cages	Refrigerators	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
<b>Cost:</b>									
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	<u>15,879,551</u>	<u>93,165,710</u>	<u>32,779,203</u>	<u>396,737</u>	<u>3,153,919</u>	<u>79,445,799</u>	<u>11,797,437</u>	<u>2,113,389</u>	<u>238,731,745</u>
<b>Accumulated Depreciation:</b>									
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	<u>-</u>	<u>16,272,602</u>	<u>14,409,890</u>	<u>138,696</u>	<u>746,091</u>	<u>14,908,927</u>	<u>3,849,317</u>	<u>1,092,847</u>	<u>51,418,370</u>
<b>Net Book Value:</b>									
31 December 2025	<u>15,879,551</u>	<u>76,893,108</u>	<u>18,369,313</u>	<u>258,041</u>	<u>2,407,828</u>	<u>64,536,872</u>	<u>7,948,120</u>	<u>1,020,542</u>	<u>187,313,375</u>

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 ﷲ 15,177,509.

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**8 PROJECTS UNDER CONSTRUCTION**

Projects under construction include the expenditures incurred mainly for the construction of a slaughterhouse, a feed plant, farms, and a waste and water treatment station. The total estimated cost to complete these committed projects amounts to ₪ 331,053,266. Management expects to complete these projects during the years 2026 and 2027. The movement in Projects under construction is as follows:

	<b>Plant and Equipment</b> (note a below)	<b>Buildings</b> (note b below)	<b>Farms</b>	<b>Total</b>
	₪	₪	₪	₪
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 6)	(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	99,344,322	658,092	151,116	100,153,530
<b>31 March 2026 (Unaudited)</b>	<b>330,660,067</b>	<b>2,435,551</b>	<b>151,116</b>	<b>333,246,734</b>

**(a) Plant and Equipment:**

Capital work in progress related to plant and equipment amounted to ₪ 330.6 million as at 31 March 2026 (31 December 2025: ₪ 231.3 million). The balance primarily relates to the ongoing development of the new feed factory, the Wadi Al Dawasir slaughterhouse. During the period, substantial construction and installation expenditures were incurred across these projects, together with directly attributable finance costs that were capitalized in accordance with IAS 23. As construction progressed, completed portions of the projects totaling ₪ nil were transferred to property, plant and equipment (2025: ₪ 1.07 million). Management expects the outstanding projects under plant and equipment to be completed during second and third quarters for the year ending 2026.

**(b) Buildings:**

Capital work in progress related to buildings amounted to ₪ 2.43 million as at 31 March 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 31 March 2026, the balance of projects under construction includes advance payments for new building, plant and equipment and enhancement for the farms, amounting to ₪ 234,160,341 (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 along with the farms enhancements in accordance with the contract terms during the implementation stages and are expected to be completed by the end of 2026.

**(d) Capitalized borrowing cost**

During the period ended 31 March 2026, the Company capitalized borrowing costs amounting to ₪ 2,983,885 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 farm expansion works, ongoing building construction, and major plant and equipment projects such as the feed factory, 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.

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**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:

	<b>31 March 2026 (Unaudited) ﷲ</b>	31 December 2025 (Audited) ﷲ
Balance at the beginning of the period /year	<b>33,764,672</b>	32,152,510
Additions during the period/year	<b>19,161,636</b>	6,763,859
Depreciation charged during the period/year	<b>(2,305,370)</b>	(5,151,697)
<b>Balance, at the end of the period / year</b>	<b><u>50,620,938</u></b>	<u>33,764,672</u>

Lease liabilities as follows:

	<b>31 March 2026 (Unaudited) ﷲ</b>	31 December 2025 (Audited) ﷲ
Balance at the beginning of the period /year	<b>27,196,833</b>	26,184,811
Accretion of finance cost during the period /year	<b>628,157</b>	1,888,480
Addition during the period /year	<b>19,161,636</b>	6,763,859
Payment during the period /year	<b>(6,727,865)</b>	(7,640,317)
<b>Balance at the end of the period / year</b>	<b><u>40,258,761</u></b>	<u>27,196,833</u>

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

	<b>31 March 2026 (Unaudited) ﷲ</b>	31 December 2025 (Audited) ﷲ
Lease liabilities - non-current portion	<b>29,061,683</b>	21,050,490
Lease liabilities - current portion	<b>11,197,078</b>	6,146,343
<b>At the end of the period /year</b>	<b><u>40,258,761</u></b>	<u>27,196,833</u>

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 ﷲ 718,887 for the period ended at 31 march 2026 (31 March 2025: ﷲ 347,747)

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**10 INVENTORIES**

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Materials and consumables	<b>19,027,302</b>	14,061,558
Feed	<b>4,974,805</b>	2,232,714
Finished goods	<b>3,436,366</b>	3,384,644
	<u><b>27,438,473</b></u>	<u>19,678,916</u>
Provision for dormant and slow-moving inventory	<b>(1,580,687)</b>	(1,580,687)
	<u><b>25,857,786</b></u>	<u>18,098,229</u>

**11 BIOLOGICAL ASSETS**

The following are categories of biological assets:

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Broiler chickens	<b>15,838,762</b>	5,555,231
Hatcher eggs	<b>6,374,546</b>	7,280,298
	<u><b>22,213,308</b></u>	<u>12,835,529</u>

The movement on biological assets is as follows:

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Balance at the beginning of the period /year	<b>12,835,529</b>	10,797,092
Additions during the period /year	<b>66,662,674</b>	201,896,144
Transferred to inventory during the period /year	<b>(45,661,088)</b>	(95,721,697)
Chicks Sales during the period /year	<b>(14,343,788)</b>	(104,136,010)
Change in fair value of biological assets	<b>2,719,981</b>	-
<b>Balance at the end of the period / year</b>	<u><b>22,213,308</b></u>	<u>12,835,529</u>

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**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**

Poultry was not pledged as security for any of the Company's loans or borrowings as at 31 March 2026 (31 December 2025: NIL). As at 31 March 2026, the Company had no commitments in relation to its poultry (31 December 2025: nil).

As at 31 March 2026, the company had 3,531,600 broiler chickens and 4,856,616 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:

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Almunajem Foods Company	<b>8,707,003</b>	6,723,171
Muhit Al Sharq Real Estate Company	<b>2,641,173</b>	6,021,030
Muhammad Abdullah Batha Al-Awashez Establishment	<b>1,908,825</b>	6,762,067
Jarbou Al-Shahrani Poultry Farm	<b>825,850</b>	1,442,045
Fifth Power Agricultural Company	<b>749,305</b>	-
Abdul Rahman bin Mohi establishment	<b>17,310</b>	90,293
Abdul Rahman Saad Mufarreh Al-Shahrani Company	<b>47,799</b>	-
	<b>14,897,265</b>	21,038,606

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**12 RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)**

The following are balances due to related parties:

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Abdul Rahman Saad Mufarreh Al-Shahrani Company	-	816,831
	-	816,831

Below are the most significant transactions with related parties:

<b>Related Party</b>	<b>Nature of relationship</b>	<b>Transaction type</b>	<b>31 March 2026 (Unaudited)</b>	31 March 2025 (Unaudited)
			ﷲ	
Jarbou Al-Shahrani Poultry Farm	Affiliate*	Sales	1,932,655	1,724,750
		Transfers	1,242	297,373
		Purchases	2,552,492	2,508,357
Muhit Al Sharq Real Estate Company	Affiliate*	Sales	4,837,760	14,931,634
		Transfers	2,579,409	2,925,487
		Purchases	10,337,357	20,863,013
Muhammad Abdullah Batha Al-Awashez establishment	Affiliate*	Farm rent	362,090	-
		Sales	8,698,483	17,294,387
		Transfers	2,021,543	2,132,495
Almunajem Foods Company	Shareholder	Purchases	15,532,686	27,799,454
		Sales	65,053,464	10,403,959
		Transfers	776	5,551,069
Abdul Rahman Saad Mufarreh Al-Shahrani Company	Affiliate*	Transfers	3,170,565	435,878
		Purchases	73,149	7,260,898
		Farm Land rent	2,241,329	-
Fifth Power Agricultural Company	Affiliate*	Transfers	2,403,963	-
		Sales	1,665,671	-

\* An affiliate is a related party in which shareholders hold an equity interest, or a party in which the Company has representation in its management. The nature of these transactions is commercial.

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 an annual lease payment of ﷲ 1,327,068. As of 31 March 2026, lease payments made amounted to ﷲ 663,534, and the present value of the lease liability was ﷲ 1,272,719 and this amount presented as lease liabilities (note 9).

During the period ended at 31 March 2026, the Company entered into a lease agreement with a related party, Abdul Rahman Saad Mufarreh Al-Shahrani Establishment, for a Chicken Farm land owned by the company. The lease commenced in 2026 for a 3 years term with a semiannual lease payment of ﷲ 1,948,982. As of 31 March 2026, lease payments made amounted to ﷲ 1,948,982, and the present value of the lease liability was ﷲ 8,990,175 and this amount presented as lease liabilities (note 9).

During the period ended at 31 March 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 ﷲ 314,860. As of 31 March 2026, lease payments made amounted to ﷲ 314,860, and the present value of the lease liability was ﷲ 1,452,376 and this amount presented as lease liabilities (note 9).

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**12 RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)**

During the period ended at 31 March 2026, the Company entered into a strategic partnership agreement for joint production, packaging and distribution with Almunajem food company, where Almunajem food company will market and distribute the poultry products according to this agreement in the markets inside and outside the kingdom of Saudi Arabia. This agreement is subject to the approval of the general assembly to be held in the second quarter of 2026.

**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).

	<b>31 March 2026 (Unaudited)</b>	31 March 2025 (Unaudited)
	ﷲ	ﷲ
Key executives & Senior management Salaries and allowances	<b>1,052,249</b>	925,271
Remuneration for the Board of Directors and audit committee	<b>312,250</b>	-
	<b>1,364,499</b>	925,271

**13 PREPAYMENTS AND OTHER RECIEVABLES**

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Advances to suppliers	<b>9,185,339</b>	10,120,973
Other advances*	<b>4,207,784</b>	4,207,784
Prepaid expenses	<b>1,956,775</b>	1,264,265
Employees' receivables	<b>811,936</b>	472,902
Provisions for impairment on other assets	<b>(1,203,951)</b>	(1,203,951)
	<b>14,957,883</b>	14,861,973

\* During the year ended 31 December 2025, the Company recognized ﷲ 4.2 million within other advances, representing part of the upfront follow-up and evaluation service fees related to the ﷲ 280.5 million financing agreement signed with the Agricultural Development Fund on 16 October 2025. As at 31 March 2026, no cash had been disbursed under the facility, and therefore no loan balance has been recognized.

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**14 TRADE RECEIVABLES**

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Trade receivables	<b>15,932,951</b>	19,918,212
Allowance for expected credit loss	<b>(851,740)</b>	(656,327)
	<b><u>15,081,211</u></b>	<u>19,261,885</u>

Movement in expected credit losses allowance is as follows:

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Balance at the beginning of the period /year	<b>656,327</b>	705,026
Charge / (Reversal) during the period /year	<b>195,413</b>	(48,699)
<b>Balance at the end of the period / year</b>	<b><u>851,740</u></b>	<u>656,327</u>

**15 CASH AND CASH EQUIVALENTS**

	<b>31 March 2026 (Unaudited)</b>	31 December 2025 (Audited)
	ﷲ	ﷲ
Cash at banks	<b>38,115,137</b>	16,408,281
Cash on hand	<b>1,453,880</b>	1,032,548
<b>Balance at the end of the period / year</b>	<b><u>39,569,017</u></b>	<u>17,440,829</u>

**16 DIVIDENDS**

No dividends were distributed during the Period ended 31 March 2026. (31 December 2025: nil)

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)**

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**17 TERM LOANS AND BORROWINGS**

	<b>31 March 2026 (Unaudited) ﷲ</b>	31 December 2025 (Audited) ﷲ
Loan from a local bank (note A)	<b>255,000,000</b>	150,000,000
	<b>255,000,000</b>	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 ﷲ 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**

	<b>31 March 2026 (Unaudited) ﷲ</b>	31 December 2025 (Audited) ﷲ
Balance at the beginning of the period /year	<b>150,000,000</b>	-
Withdraw during the period /year	<b>105,000,000</b>	150,000,000
<b>Balance at the end of the period / year</b>	<b>255,000,000</b>	150,000,000

Accrued finance cost at the beginning of the period/year	<b>1,591,806</b>	-
Finance cost charging during the period /year	<b>3,371,015</b>	3,349,895
Finance cost payments during the period /year	<b>(2,166,977)</b>	(1,758,089)
<b>Accrued finance cost at the end of the period / year</b>	<b>2,795,844</b>	1,591,806

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)**

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

**17 TERM LOANS AND BORROWINGS (Continued)**

During February 2026, the Company withdrew ﷲ 55 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 months from the respective drawdown date, it carries a variable finance cost rate based on the 3-month SAIBOR, plus agreed margin.

During January 2026, the Company withdrew ﷲ 50 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 months from the respective drawdown date, it carries a variable finance cost rate based on the 3-month SAIBOR, plus agreed margin.

During July 2025, the Company withdrew ﷲ 100 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 months from the respective drawdown date, it carries a variable finance cost rate based on the 3-month SAIBOR, plus agreed margin.

During November 2025, the Company withdrew ﷲ 30 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 months from the respective drawdown date, it carries a variable finance cost rate based on the 3-month SAIBOR, plus agreed margin.

During December 2025, the Company withdrew ﷲ 20 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 one year 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-Ula 1447H), the Company signed a Shariah-compliant financing agreement with the Agricultural Development Fund (“ADF”) for a total facility amount of ﷲ 280,518,900 to finance the automated slaughterhouses project. The financing is structured through ten annual instalments of ﷲ 28,051,880 each, falling due from 16 October 2028 to 16 October 2037. As part of the agreement, the Company pledged project assets (machinery and equipment) with a collateral value of ﷲ 176,492,488, in addition to several real estate properties mortgaged in favour of ADF. Further guarantees include a corporate guarantee from Almunajem Foods Company amounting to ﷲ 178,129,502 and five notarized undertakings from other shareholders (Sukuk Tawtheeq) of ﷲ 26,368,776 each. The financing arrangement also includes follow up and evaluation service fees of ﷲ 75,740,103, of which ﷲ 15,148,021 is payable upfront and ﷲ 60,592,082 is allocated across the instalments. As at 31 March 2026, although the financing contract has been executed, the Company has not yet received any cash disbursements, and accordingly no loan balance has been recognized in these financial statements.

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

	<b>31 March 2026 (Unaudited)</b>	31 March 2025 (Unaudited)
	<b>ﷲ</b>	<b>ﷲ</b>
Finance cost Comprehensive income statement	<b>387,130</b>	-
Capitalized Finance Cost	<b>2,983,885</b>	-
	<b>3,371,015</b>	-

**BALADY POULTRY COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)**

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

**18 ACCRUED EXPENSES AND OTHER LIABILITIES**

This item consists of the following

	<b>31 March 2026</b>	31 December 2025
	<i>(Unaudited)</i>	<i>(Audited)</i>
	ﷲ	ﷲ
Accrued salaries and related benefits	<b>3,253,824</b>	2,631,459
Accrued finance cost	<b>2,795,844</b>	1,591,806
Advances from customers	<b>2,869,809</b>	727,606
Accrued expenses	<b>1,627,201</b>	860,474
Value added tax	<b>227,387</b>	330,643
Other	<b>17,246</b>	17,246
	<b>10,791,311</b>	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.

	<b>31 March 2026</b>	31 March 2025
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	ﷲ	ﷲ
Chicken Sales	<b>143,842,939</b>	136,201,598
Feed sales	<b>27,630,157</b>	42,879,021
Chicks sales	<b>14,596,747</b>	20,170,502
Pharmaceutical – medicine and vaccines sales	<b>1,253,088</b>	1,724,728
Fertilizer sales	<b>1,157,893</b>	2,427,901
Other sales	<b>604,190</b>	730,286
	<b>189,085,014</b>	204,134,036

Timing of revenue recognition

	<b>31 March 2026</b>	31 March 2025
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	ﷲ	ﷲ
At a point in time	<b>189,085,014</b>	204,134,036

Revenue distribution by geographical area:

	<b>31 March 2026</b>	31 March 2025
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	ﷲ	ﷲ
Saudi Arabia	<b>188,793,677</b>	203,980,196
Other GCC countries	<b>83,300</b>	90,000
Other countries	<b>208,037</b>	63,840
	<b>189,085,014</b>	204,134,036

**BALADY POULTRY COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)**

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

**20 COSTS OF REVENUE**

	<b>31 March 2026 (Unaudited) ﷲ</b>	31 March 2025 (Unaudited) ﷲ
Direct costs	<b>138,660,830</b>	164,325,318
Salaries and employee benefits	<b>8,938,557</b>	7,882,225
Operating materials	<b>4,824,868</b>	3,221,051
Depreciation of property, plant and equipment	<b>4,191,646</b>	2,704,778
Amortization of right-of-use assets	<b>2,305,370</b>	1,856,749
Fuel	<b>2,244,937</b>	1,850,662
Packaging and wrapping expenses	<b>1,671,609</b>	1,741,941
Maintenance and support services	<b>1,599,785</b>	2,002,616
Residency, insurance, and government expenses	<b>1,397,820</b>	550,720
Water	<b>1,395,674</b>	1,470,959
Electricity	<b>657,885</b>	557,440
Transportation expenses	<b>67,126</b>	426,669
Other	<b>1,512,994</b>	1,117,140
	<b><u>169,469,101</u></b>	<u>189,708,268</u>

**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.

	<b>31 March 2026 (Unaudited) ﷲ</b>	31 March 2025 (Unaudited) ﷲ
Net profit attributable to common shareholders	<b>12,355,539</b>	6,657,796
Weighted average number of common shares	<b>6,570,000</b>	6,570,000
Basic and diluted earnings per share	<b><u>1.88</u></b>	<u>1.01</u>

**BALADY POULTRY COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)**

For the three-month period ended 31 March 2026

(All Amounts in Saudi Riyals unless otherwise stated)

**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 period ended 31 March 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, 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 31 March 2026, the Company had capital commitments related to the renovation of the Company's production lines, facilities and factories amounted to ~~SR~~ 331,053,266 (31 December 2025: ~~SR~~ 427,139,451).

**24- SUBSEQUENT EVENT**

In the opinion of the management, there have been no significant subsequent events since the period ended 31 March 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 24 Dhu'l-Qa'dah 1447H corresponding to 11 May 2026).