

**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 2025**

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 2025

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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 2025, 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 2025, and the related interim condensed statements of changes in shareholders equity and cash flows for the six-month period then ended, and other 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 financial statements for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 February 2025 (corresponding to 28 Shaban 1446H). Further, the interim condensed financial statements of the Company for the three-month and six-month periods ended 30 June 2024 were reviewed by another auditor who expressed an unmodified review conclusion on those financial statements on 4 August 2024 (corresponding to 29 Muharam 1446H).

For Ernst & Young Professional Services


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

Jeddah: 4 Rabi' al-Awwal 1447H
27 August 2025G



BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 (Unaudited)	31 December 2024 (Audited)
	<i>Note</i>	ﷲ	ﷲ
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	150,617,797	121,388,717
Right of use assets	8-(a)	29,151,079	32,152,510
Projects under construction	9	163,015,018	93,367,446
Intangible assets		643,156	722,991
TOTAL NON-CURRENT ASSETS		343,427,050	247,631,664
CURRENT ASSETS			
Inventories	11	20,383,545	17,171,881
Biological assets	12	10,938,018	10,797,092
Amounts due from related parties	10-a	14,930,083	15,962,318
Accounts receivable and other current assets	13	33,877,192	26,063,282
Cash and cash equivalents	14	24,612,900	52,424,790
TOTAL CURRENT ASSETS		104,741,738	122,419,363
TOTAL ASSETS		448,168,788	370,051,027
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	65,700,000	65,700,000
Retained earnings		261,309,048	243,240,761
TOTAL SHAREHOLDERS EQUITY		327,009,048	308,940,761
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities – non-current portion	8-c	16,502,383	20,083,865
Employee's defined benefits liabilities		7,593,912	7,088,364
TOTAL NON-CURRENT LIABILITIES		24,096,295	27,172,229
CURRENT LIABILITIES			
Lease liabilities	8-c	7,536,403	6,100,946
Term loans and borrowings	16	64,648,054	3,648,054
Accounts payable and other current liabilities		24,664,462	21,138,271
Zakat provision		214,526	3,050,766
TOTAL CURRENT LIABILITIES		97,063,445	33,938,037
TOTAL LIABILITIES		121,159,740	61,110,266
TOTAL EQUITY AND LIABILITIES		448,168,788	370,051,027

Chief Financial Officer



Chief Executive Officer



Chairman



The attached notes 1 to 23 form an integral part of these interim condensed 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 and six-month periods ended 30 June 2025

		<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
		30 June 2025 <i>(Unaudited)</i>	<i>30 June 2024</i> <i>(Unaudited)</i>	30 June 2025 <i>(Unaudited)</i>	<i>30 June 2024</i> <i>(Unaudited)</i>
	<i>Note</i>	ﷲ	ﷲ	ﷲ	ﷲ
Revenue	17	211,121,212	217,676,602	415,255,248	449,631,347
Cost of revenues	18	(192,377,003)	(180,497,928)	(382,085,271)	(367,430,669)
GROSS PROFIT		18,744,209	37,178,674	33,169,977	82,200,678
EXPENSES					
Selling and distribution expenses		(4,078,099)	(3,541,997)	(7,813,354)	(6,974,538)
General and administrative expenses		(4,112,083)	(3,763,692)	(8,241,730)	(6,898,358)
PROFIT FROM OPERATIONS		10,554,027	29,872,985	17,114,893	68,327,782
Finance costs		(701,169)	(31,154)	(1,183,643)	(80,327)
Other income		1,030,536	2,363,732	2,359,940	5,438,106
PROFIT BEFORE ZAKAT		10,883,394	32,205,563	18,291,190	73,685,561
Zakat		527,097	(875,000)	(222,903)	(1,750,000)
PROFIT FOR THE PERIOD		11,410,491	31,330,563	18,068,287	71,935,561
OTHER COMPREHENSIVE INCOME FOR THE PERIOD					
<i>Other comprehensive income that will not to be reclassified to profit or loss in subsequent periods:</i>					
Re-measurement gain on employees defined benefit liabilities		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		11,410,491	31,330,563	18,068,287	71,935,561
EARNING PER SHARE					
Basic and diluted earnings per share for the period	19	1,74	4,77	2,75	10,95

Chief Financial Officer



Chief Executive Officer



Chairman



BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

For the six-month period ended 30 June 2025

	<i>Share Capital</i> ﷲ	<i>Statutory reserve</i> ﷲ	<i>Retained earnings</i> ﷲ	<i>Total</i> ﷲ
Balance at 1 January 2025	65,700,000	-	243,240,761	308,940,761
Profit for the period	-	-	18,068,287	18,068,287
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	18,068,287	18,068,287
Balance at 30 June 2025 (Unaudited)	65,700,000	-	261,309,048	327,009,048
Balance at 1 January 2024	65,700,000	18,901,466	125,619,231	210,220,697
Net profit for the period	-	-	71,935,561	71,935,561
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	71,935,561	71,935,561
Transferred from Statutory reserve to retained earnings(note 1)	-	(18,901,466)	18,901,466	-
Dividends (note 15)	-	-	(6,570,000)	(6,570,000)
Balance at 30 June 2024 (Unaudited)	65,700,000	-	209,886,258	275,586,258

Chief Financial Officer



Chief Executive Officer



Chairman



The attached notes 1 to 23 form an integral part of these interim condensed financial statements.

BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2025

		<i>For the six-month period ended</i>	
		30 June 2025	30 June 2024
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Note</i>	₹	₹
OPERATING ACTIVITIES			
Profit before zakat		18,291,190	73,685,561
<i>Adjustments to reconcile profit before zakat to net cash flows:</i>			
Deprecation of property, plant and equipment	7	7,350,021	4,372,843
Depreciation of the right of use assets	8	3,001,431	2,193,166
Loss / (gain) on disposal of property, plant and equipment		89,347	(92,720)
Amortisation of intangible assets		79,834	19,399
Provision for employees’ benefit liabilities		505,548	800,000
Finance cost		1,183,643	80,327
		30,501,014	81,058,576
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable, and other current assets		(7,813,910)	(57,171,082)
Amount due from related parties		1,032,235	(8,443,074)
Inventories		(3,211,664)	148,811
Biological assets		(140,926)	(690,069)
Accounts payable, and other current liabilities		3,297,047	1,238,913
		23,663,796	16,142,075
Employees ‘defined benefit liabilities paid		-	(62,675)
Zakat paid		(3,059,143)	(3,498,994)
Net cash generated from operating activities		20,604,653	12,580,406
INVESTING ACTIVITES			
Proceeds from disposal of property and equipment		325,495	230,713
Purchase of property and equipment	7	(22,864,614)	(6,316,876)
Additions to capital work in progress		(83,776,900)	(9,333,366)
Additions to intangible assets		-	(204,294)
Net cash used in investing activities		(106,316,019)	(15,623,823)
FINANCING ACTIVITES			
Proceeds from bank facilities	16	61,000,000	-
Repayment of lease liability	8	(3,100,524)	(2,379,827)
Dividends paid		-	(6,566,958)
Net cash generated from / (used in) financing activities		57,899,476	(8,946,785)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(27,811,890)	(11,990,202)
Cash and cash equivalents at the beginning of the period		52,424,790	86,286,968
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		24,612,900	74,296,766

Chief Financial Officer



Chief Executive Officer



Chairman



The attached notes 1 to 23 form an integral part of these interim condensed financial statements.

BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

At 30 June 2025

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 as 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:

<i>Branch name</i>	<i>City</i>	<i>Date</i>	<i>Commercial Registration Number</i>
Balady Poultry Company	Khamis Mushait	27 Safar 1440H (corresponding to 5 November 2018)	5904616221
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)

At 30 June 2025

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 30 June 2025, 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
Turki Abdullah Hashbal 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
Saudi Advanced Industries Company	328,500	5.0%	3,285,000
Other shareholders	525,600	8.0%	5,256,000
	6,570,000		65,700,000

Statutory reserve

On 21 Dhul-Hijjah 1445 H (corresponding to June 27, 2024), the Extraordinary General Assembly approved transferring the entire statutory reserve to retained earnings.

2- BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed financial statements for the three month and six month periods ended 30 June 2025 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 2024 (last annual financial statements). In addition, results for the three-month and six-month periods ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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 employees' defined benefit liabilities which is recognized at the present value of future obligations using the projected unit credit method and 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.

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 2024, except for the adoption of new standards effective as of 1 January 2025, 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.

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

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

At 30 June 2025

3- NEW AND AMENDED STANDARDS AND INTERPRETATIONS (continued)

Accounting Policy applied as at 31 December 2024	Accounting Policy applied as at 30 June 2025
<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 30 June 2024 and for the three-month and six-month periods then ended, and on the Company's financial statements for the year ended 31 December 2024.

The International Accounting Standard Board ("IASB") has issued the following accounting standards and amendments, which were effective from periods on or after 1 January 2025. The management has assessed that the amendments have no significant impact on the Company's interim condensed financial statements as of 30 June 2025 and for the three-month and six-month periods then ended

***Standard,
interpretation and
amendments***

Description

Effective date

Amendments to IAS 21 – Lack of exchangeability

IASB amended IAS (21) to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to be used when the spot rate at the measurement date can be determined. The amendment provides a framework for assessing whether an observable exchange rate can be used without adjustment or the need for applying another valuation technique.

1 January 2025

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

The following is a summary of new IFRS standards and other amendments to IFRS that are issued but not yet effective up to the date of issuance of the company's interim condensed financial statements. The Company has elected not to early adopt these pronouncements, which are not expected to have a material impact on the Company's interim condensed financial statements.

BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

At 30 June 2025

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

<i>Standard, interpretation and amendments</i>	<i>Description</i>	<i>Effective date</i>
Amendments to IFRS 9- Financial Instruments and IFRS 7 - Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual improvement of IFRS accounting Standards	1 January 2026

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 except for the judgments related to the fair value of biological assets as noted below:

Fair value of biological assets

The Company carries its biological assets (poultry) until the time of slaughtering (recorded in inventories immediately after slaughtering) at fair value less costs to sell. At the end of the reporting period, the fair value of poultry is estimated and adjusted for expected costs to reach maturity over the life cycle. Significant estimates include mortality, weight and costs to incur until slaughtering and the expected market price for the slaughtered poultry.

BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

At 30 June 2025

7- PROPERTY, PLANT AND EQUIPMENT

	<i>Land</i> ﷲ	<i>Buildings</i> ﷲ	<i>Motor vehicles</i> ﷲ	<i>Furniture and fixtures</i> ﷲ	<i>Office equipment</i> ﷲ	<i>Plant and Equipment</i> ﷲ	<i>Poultry cages</i> ﷲ	<i>Refrigerato rs</i> ﷲ	<i>TOTAL</i> ﷲ
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 period (note 9)	-	11,741,518	-	-	24,939	2,362,872	-	-	14,129,329
Additions during the period	1,245,807	560,662	663,334	9,700	83,649	12,602,606	7,416,356	282,500	22,864,614
Disposals during the period	-	-	(431,370)	-	(293,603)	-	(296,520)	(183,990)	(1,205,483)
At 30 June 2025	15,379,551	66,166,559	28,440,844	361,334	2,666,740	92,521,972	10,016,533	1,792,488	217,346,021
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 period	-	1,354,988	1,567,830	16,154	162,085	3,064,651	1,060,100	124,213	7,350,021
Disposals during the period	-	-	(141,579)	-	(257,404)	-	(207,679)	(183,979)	(790,641)
At 30 June 2025	-	14,521,639	13,062,243	121,513	592,031	35,007,525	2,346,472	1,076,801	66,728,224
Net Book Value:									
At 30 June 2025	15,379,551	51,644,920	15,378,601	239,821	2,074,709	57,514,447	7,670,061	715,687	150,617,797

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 14,069,100,

BALADY POULTRY COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

At 30 June 2025

7- PROPERTY, PLANT AND EQUIPMENT (continued)

	<i>Land</i> ﷲ	<i>Buildings</i> ﷲ	<i>Motor vehicles</i> ﷲ	<i>Furniture and fixtures</i> ﷲ	<i>Office equipment</i> ﷲ	<i>Plant and Equipment</i> ﷲ	<i>Poultry cages</i> ﷲ	<i>Refrigerato rs</i> ﷲ	<i>TOTAL</i> ﷲ
<i>Cost:</i>									
At 1 January 2024	11,944,744	38,681,136	23,475,585	387,221	1,846,928	53,729,067	3,118,774	3,175,685	136,359,140
Additions during the period	2,189,000	1,263,134	6,378,019	130,140	1,227,182	25,364,213	767,122	115,500	37,434,310
Transfers from project under construction in progress during the year (note 9)	-	13,920,109	-	-	47,113	2,250,101	-	-	16,217,323
Disposals during the year	-	-	(1,644,724)	(165,727)	(269,468)	(3,786,887)	(989,199)	(1,597,207)	(8,453,212)
31 December 2024	<u>14,133,744</u>	<u>53,864,379</u>	<u>28,208,880</u>	<u>351,634</u>	<u>2,851,755</u>	<u>77,556,494</u>	<u>2,896,697</u>	<u>1,693,978</u>	<u>181,557,561</u>
<i>Accumulated Depreciation:</i>									
At 1 January 2024	-	11,066,069	10,454,243	223,770	705,027	31,812,163	1,422,373	2,528,896	58,212,541
Charge for the year	-	2,100,582	2,767,609	30,363	225,161	3,874,775	826,679	204,864	10,030,033
Disposals during the year	-	-	(1,585,860)	(148,774)	(242,838)	(3,744,064)	(755,001)	(1,597,193)	(8,073,730)
31 December 2024	<u>-</u>	<u>13,166,651</u>	<u>11,635,992</u>	<u>105,359</u>	<u>687,350</u>	<u>31,942,874</u>	<u>1,494,051</u>	<u>1,136,567</u>	<u>60,168,844</u>
<i>Net Book Value:</i>									
31 December 2024	<u>14,133,744</u>	<u>40,697,728</u>	<u>16,572,888</u>	<u>246,275</u>	<u>2,164,405</u>	<u>45,613,620</u>	<u>1,402,646</u>	<u>557,411</u>	<u>121,388,717</u>

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

At 30 June 2025

8- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

A- Movement in right-of-use assets is presented below:

	<i>30 June 2025</i> <i>(Unaudited)</i> ﷲ	<i>31 December 2024</i> <i>(Audited)</i> ﷲ
Cost:		
At the beginning of the period / year	44,723,114	13,525,899
Additions during the period / year	-	31,197,215
At the end of the period / year	<u>44,723,114</u>	<u>44,723,114</u>
Accumulated Depreciation:		
At the beginning of the period / year	12,570,604	7,375,981
Charged during the period / year	3,001,431	5,194,623
At the end of the period / year	<u>15,572,035</u>	<u>12,570,604</u>
Netbook value:	<u>29,151,079</u>	<u>32,152,510</u>

B- Lease liabilities

	<i>30 June 2025</i> <i>(Unaudited)</i> ﷲ	<i>31 December 2024</i> <i>(Audited)</i> ﷲ
Balance at the beginning of the period /year	26,184,811	4,822,276
Accretion of interest during the period /year	954,499	450,616
Addition during the period / year	-	25,510,919
Payment during the period / year	<u>(3,100,524)</u>	<u>(4,599,000)</u>
Balance at the end of the period / year	<u>24,038,786</u>	<u>26,184,811</u>

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

	<i>30 June 2025</i> <i>(Unaudited)</i> ﷲ	<i>31 December 2024</i> <i>(Audited)</i> ﷲ
Lease liabilities - non-current portion	16,502,383	20,083,865
Lease liabilities - current portion	<u>7,536,403</u>	<u>6,100,946</u>
At the end of the period / year	<u>24,038,786</u>	<u>26,184,811</u>

D- The total financing charges recognized during the period ended 30 June 2025 amounted ﷲ 954,499 (31 December 2024: ﷲ 450,616).

E- The right to use the assets consists of agricultural land farm and hatcheries that are leased by the company. The duration of the leased land farm is 19 years. and for the other leased assets is 6 years.

9- 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 projects amounts to ﷲ 397,612,398. Management expects to complete these projects during the year 2026. The movement in Projects under construction is as follows:

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(CONTINUED)

At 30 June 2025

9- PROJECTS UNDER CONSTRUCTION (continued)

	30 June 2025 <i>(Unaudited)</i>	31 December 2024 <i>(Audited)</i>
	ﷲ	ﷲ
Balance, at the beginning of the period / year	93,367,446	10,343,205
Additions during the period / year	83,776,901	99,241,564
Transfer to property, plant and equipment (Note 7)	(14,129,329)	(16,217,323)
Balance, at the end of the period / year	163,015,018	93,367,446

The additions during the period represent cost incurred for slaughterhouse amounted to ﷲ 33,854,800, feed plant, farms amounted to ﷲ 29,603,589 and waste and water treatment station amounted to ﷲ 18,258,535.

As of 30 June 2025, the balance of projects under construction includes advance payments for the purchase of property, plant, and equipment in the amount of ﷲ 125,639,457 (31 December 2024: ﷲ 70,399,905). These relate to contracts for the execution and supply of plant and equipment that will be received in accordance with the contract terms during the implementation stages and are expected to be completed by the end of 2026.

10- RELATED PARTY 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 the management of the concerned parties.

A - The following are balances due from related parties:

	30 June 2025 <i>(Unaudited)</i>	31 December 2024 <i>(Audited)</i>
	ﷲ	ﷲ
Muhit Al Sharq Real Estate Company	6,213,399	4,542,338
Abdul Rahman Saad Mufarreh Al-Shahrani establishment	4,037,437	695,835
Almunajem Foods Company	2,911,402	2,026,888
Muhammad Abdullah Batha Al-Awashez establishment	1,599,306	7,796,659
Jarbou Al-Shahrani Poultry Farm	100,897	895,798
Abdul Rahman bin Mohi establishment	67,642	4,800
	14,930,083	15,962,318

B- Below are the most significant transactions with related parties:

Related Party	Nature of relationship	Transaction type	30 June 2025 <i>(Unaudited)</i>	30 June 2024 <i>(Unaudited)</i>
			ﷲ	ﷲ
Jarbou Al-Shahrani Poultry Farm	Affiliate*	Sales	3,605,696	4,938,858
		Transfers	843,505	-
		Purchases	5,073,823	4,161,873
Muhit Al Sharq Real Estate Company	Affiliate*	Sales	34,624,359	28,966,233
		Transfers	3,571,621	-
		Purchases	38,868,051	31,523,787
Muhammad Abdullah Batha Al-Awashez establishment	Affiliate*	Sales	40,065,497	24,512,872
		Transfers	4,400,305	-
		Purchases	51,545,577	23,501,191
Almunajem Foods Company	Shareholder	Sales	25,296,301	-
Abdul Rahman Saad Mufarreh Al-Shahrani Farm	Affiliate*	Sales	10,086,404	-
		Transfers	1,034,422	-
		Purchases	10,239,563	-
Ayed Muhammad Awza Al-Shahrani Farm	Affiliate*	Sales	-	11,687,668
		Purchases	-	14,173,279
Key executives - Senior management	Employees	Salaries and allowances	1,871,371	2,087,074

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(CONTINUED)

At 30 June 2025

10- RELATED PARTY TRANSACTIONS AND BALANCES (continued)

* 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.

C - 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).

11- INVENTORIES

A- This item consists of the following:

	30 June 2025 <i>(Unaudited)</i> ﷲ	31 December 2024 <i>(Audited)</i> ﷲ
Materials and consumables	13,909,871	12,478,506
Feed	4,218,969	3,072,791
Finished goods	3,714,799	3,080,678
	21,843,639	18,631,975
Provision for dormant and slow-moving inventory	(1,460,094)	(1,460,094)
	20,383,545	17,171,881

Movement of dormant and slow-moving inventory items is as follows:

	30 June 2025 <i>(Unaudited)</i> ﷲ	31 December 2024 <i>(Audited)</i> ﷲ
Balance, at the beginning of the period/year	1,460,094	1,460,094
Balance, at the end of the period / year	1,460,094	1,460,094

12- BIOLOGICAL ASSETS

A- The following are categories of biological assets:

	30 June 2025 <i>(Unaudited)</i> ﷲ	31 December 2024 <i>(Audited)</i> ﷲ
Broiler chickens	3,849,525	1,572,853
Hatcher eggs	7,088,493	9,224,239
	10,938,018	10,797,092

B- The movement on biological assets is as follows:

	30 June 2025 <i>(Unaudited)</i> ﷲ	31 December 2024 <i>(Audited)</i> ﷲ
Balance, at the beginning of the period/year	10,797,092	11,820,134
Additions during the period/year	50,736,216	141,529,445
Transferred to inventory during the period / year	(50,595,290)	(142,552,487)
Balance, at the end of the period / year	10,938,018	10,797,092

As at 30 June 2025, the Company had 1,264,320 broiler chickens and 4,823,178 hatching eggs (31 December 2024: 338,638 broiler chickens and 5,696,331 hatching eggs).

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(CONTINUED)

At 30 June 2025

13- ACCOUNTS RECEIVABLES AND OTHER CURRENT ASSETS

A- The breakdown of accounts receivables and other current assets is as follows:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 <i>(Audited)</i> ﷲ
Accounts receivable	22,901,027	15,092,652
Allowance for expected credit loss (B)	(705,026)	(705,026)
	22,196,001	14,387,626
Advances to suppliers	6,795,009	8,236,422
Prepaid expenses	4,677,526	3,160,971
Employees' receivables	550,939	620,546
Provisions for Impairment on other assets (C)	(342,283)	(342,283)
	33,877,192	26,063,282

B- Movement in expected credit losses allowance is as follows:

	30 June 2025 (Unaudited) ﷲ	31 December 2024 <i>(Audited)</i> ﷲ
Balance, at the beginning of the period/year	705,026	448,700
Provided during the period / year	-	256,326
Balance, at the end of the period / year	705,026	705,026

C- Movement in the provisions for impairment on other assets is as follows:

	30 June 2025 (Unaudited) □	31 December 2024 <i>(Audited)</i> □
Balance, at the beginning of the period/year	342,283	342,283
Balance, at the end of the period / year	342,283	342,283

14- CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited) ﷲ	31 December 2024 <i>(Audited)</i> ﷲ
Cash at banks	23,623,982	51,521,939
Cash on hand	988,918	902,851
	24,612,900	52,424,790

15- DIVIDENDS

No dividends were distributed during the period ended 30 June 2025.

On 17 Ramadhan 1445H (corresponding to 27 March 2024), the Board of Directors resolved to distribute cash dividends amounting to ﷲ 6,570,000 to shareholders for the fourth quarter of the year 2023.

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

At 30 June 2025

16- TERM LOANS AND BORROWINGS

	30 June 2025 <i>(Unaudited)</i> ﷲ	31 December 2024 <i>(Audited)</i> ﷲ
Loans from Saudi Agricultural Development Fund (note A)	3,648,054	3,648,054
Loan from a local bank (note B)	61,000,000	-
	64,648,054	3,648,054

A- On 3 Jumada al-Ula 1435H (corresponding to 5 March 2014), the Company obtained a Shariah-compliant loan with a maximum amount of ﷲ 29,879,122. The loan is repayable in 10 annual installments starting from 3 Jumada al-Ula 1438H (corresponding to 31 January 2017), with the last installment due on 3 Jumada al-Ula 1447H (corresponding to 25 October 2025). The loan will be utilized to finance the automated slaughterhouses project. This loan is guaranteed by the Ministry of Agriculture.

The following is the movement of the loan from Saudi Agricultural Development Fund:

	30 June 2025 <i>(Unaudited)</i> ﷲ	31 December 2024 <i>(Audited)</i> ﷲ
Balance, at the beginning of the period/year	3,648,054	7,296,108
Paid during the period/ year	-	(3,648,054)
Balance, at the end of the period / year	3,648,054	3,648,054
Current portion	3,648,054	3,648,054

Repayment schedule of the Saudi Agricultural Development Fund Loan:

	30 June 2025 <i>(Unaudited)</i> ﷲ	31 December 2024 <i>(Audited)</i> ﷲ
Due date		
2025	3,648,054	3,648,054

B- 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.

During May and June 2025, the Company withdrew ﷲ 61 million under the credit facilities to finance working capital, to be repaid within three months from the drawdown date.

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(CONTINUED)

At 30 June 2025

17- 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.

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	ﷲ	ﷲ	ﷲ	ﷲ
Chicken sales	127,446,839	151,516,979	263,920,790	315,602,299
Feed sales	49,701,662	39,790,989	92,348,151	79,275,931
Chicks sales	28,620,569	21,205,681	48,751,249	44,264,700
Pharmaceutical - medicine and vaccines sales	3,369,551	1,662,698	5,094,280	3,337,615
Other sales	1,982,591	3,500,255	5,140,778	7,150,802
	<u>211,121,212</u>	<u>217,676,602</u>	<u>415,255,248</u>	<u>449,631,347</u>

18- COST OF SALES

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	ﷲ	ﷲ	ﷲ	ﷲ
Direct cost	164,378,350	158,056,754	328,237,665	322,295,803
Salaries	8,637,111	6,407,507	16,519,336	12,453,431
Operation materials	5,076,524	3,142,668	8,297,575	6,741,429
Depreciation of PPE	3,343,981	1,813,406	6,048,760	3,575,792
Fuel	1,948,534	1,071,488	3,799,195	2,202,904
Water	1,681,739	1,335,284	3,152,698	2,565,416
Maintenance	1,679,358	1,416,860	3,681,974	3,026,674
Filling and wrapping costs	1,507,390	1,356,000	3,249,331	2,812,852
ROU Depreciation	1,144,681	1,096,583	3,001,431	2,193,165
Governmental costs	647,439	630,829	1,198,159	1,318,184
Electricity	550,542	529,435	1,107,982	1,045,123
Transportation cost	346,147	2,030,462	772,816	4,376,001
Customs cost	218,826	803,053	684,829	1,409,242
Others	1,216,381	807,599	2,333,520	1,414,653
	<u>192,377,003</u>	<u>180,497,928</u>	<u>382,085,271</u>	<u>367,430,669</u>

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(CONTINUED)

At 30 June 2025

19- 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

	<i>For the three-month period ended</i>		<i>For the six-month period ended</i>	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	ﷲ	ﷲ	ﷲ	ﷲ
Net profit attributable to ordinary shareholders	11,410,491	31,330,563	18,068,287	71,935,561
Weighted average number of ordinary shares	6,570,000	6,570,000	6,570,000	6,570,000
Basic and diluted earnings per share	1,74	4,77	2,75	10,95

20- 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 2024. There have been no changes in the risk management policies during the six-month period ended 30 June 2025.

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.

21- CONTINGENCIES AND CAPITAL COMMITMENTS

As at 30 June 2025, the Company had capital commitments related to the renovation of the Company's production lines, facilities and factories amounted to ﷲ 239,383,386 (31 December 2024: ﷲ 219,466,777 million).

22- SUBSEQUENT EVENT

In the opinion of the management, there have been no significant subsequent events since the period ended 30 June 2025 which would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements

23- APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 4 Rabi' al-Awwal 1447H corresponding to 27 August 2025).