

**ARABIAN COMPANY FOR AGRICULTURAL
AND INDUSTRIAL INVESTMENT
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
For the three-month period ended 31 March 2026**

ARABIAN COMPANY FOR AGRICULTURAL AND INDUSTRIAL INVESTMENT
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS
For the three-month period ended 31 March 2026

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KPMG Professional Services Company

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the shareholders of Arabian Company for Agricultural and Industrial Investment (a Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 31 March 2026 condensed interim financial statements of **Arabian Company for Agricultural and Industrial Investment** ("the Company") which comprises:

- the condensed statement of financial position as at 31 March 2026;
- the condensed statement of profit or loss for the three-month period ended 31 March 2026;
- the condensed statement of comprehensive income for the three-month period ended 31 March 2026;
- the condensed statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed statement of cash flows for the three-month period ended 31 March 2026; and
- the notes to the condensed interim financial statements.

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

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim 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 31 March 2026 condensed interim financial statements of **Arabian Company for Agricultural and Industrial Investment** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

ARABIAN COMPANY FOR AGRICULTURAL AND INDUSTRIAL INVESTMENT

(A SAUDI JOINT STOCK COMPANY)

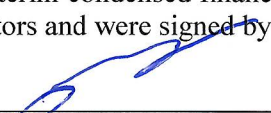
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**As at 31 March 2026**


(Amounts in Saudi Riyals)


	Notes	31 March 2026 (Unaudited)	31 December 2025 (Audited)
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment		921,024,782	917,430,464
Intangible assets		1,458,709	1,564,815
Right-of-use assets	8	238,627,355	251,622,560
Biological assets	6	9,255,467	12,033,152
Long-term prepayments and other receivables	9	13,045,479	16,940,474
Total Non-Current Assets		1,183,411,792	1,199,591,465
Current Assets			
Inventories	5	211,254,559	171,050,866
Biological assets	6	94,541,496	85,508,354
Prepayments and other receivables	9	68,967,929	34,092,628
Government subsidies receivable		3,180,392	2,662,828
Trade receivables	10	203,394,458	166,903,575
Cash and cash equivalents		13,263,870	20,107,927
Total Current Assets		594,602,704	480,326,178
Total Assets		1,778,014,496	1,679,917,643
<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>			
Shareholders' Equity			
Share capital		300,000,000	300,000,000
Statutory reserve		7,504,503	7,504,503
Retained earnings		11,025,504	12,424,281
Total Shareholders' Equity		318,530,007	319,928,784
Liabilities			
Non-Current Liabilities			
Loans and borrowings	11.1	541,510,846	541,262,531
Lease liabilities	8	177,292,042	187,246,438
Employees' defined benefit liabilities		35,733,397	33,952,032
Accruals and other liabilities		6,216,853	7,830,535
Total Non-Current Liabilities		760,753,138	770,291,536
Current Liabilities			
Trade payables		351,615,909	303,296,391
Accruals and other liabilities		119,038,637	80,756,858
Short-term loans	11.2	106,890,305	76,893,824
Current portion of loans and borrowings	11.1	53,954,698	53,918,231
Current portion of lease liabilities	8	63,631,960	71,296,960
Zakat provision		3,599,842	3,535,059
Total Current Liabilities		698,731,351	589,697,323
Total Liabilities		1,459,484,489	1,359,988,859
Total Shareholders' Equity and Liabilities		1,778,014,496	1,679,917,643

The accompanying notes 1 to 20 form an integral part of these interim condensed financial statements.

These interim condensed financial statements appearing on pages (1) to (19) were approved by Board of Directors and were signed by:


Albert Y. Hong
(Chief Financial Officer)


Raja M. Al Harbi
(Chief Executive Officer)


Ziyad A. Al-Sheikh
(Deputy Chairman)

ARABIAN COMPANY FOR AGRICULTURAL AND INDUSTRIAL INVESTMENT

(A SAUDI JOINT STOCK COMPANY)

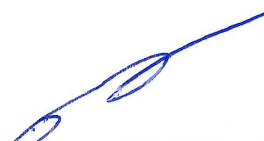

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS**For the three-month period ended 31 March 2026**

(Amounts in Saudi Riyals)

		For the three-month period ended	
		31 March 2026	31 March 2025
		(Unaudited)	(Unaudited)
	Notes		(Restated note 18)
Revenue	12	422,086,458	339,483,388
Cost of revenue	13	(348,376,723)	(306,782,821)
Gross Profit		73,709,735	32,700,567
Selling and distribution expenses		(40,654,865)	(28,464,631)
Impairment loss on trade receivables and other receivables	9&10	(6,744,362)	(2,989,379)
General and administration expenses		(19,161,307)	(16,973,356)
Other income	14	5,353,348	13,421,857
Operating Profit / (Loss)		12,502,549	(2,304,942)
Finance costs		(13,836,543)	(11,545,594)
Loss Before Zakat		(1,333,994)	(13,850,536)
Zakat		(64,783)	(500,000)
Loss for the period		(1,398,777)	(14,350,536)
Loss Per Share (LPS)			
Basic and diluted loss per share for the period	15	(0.05)	(0.48)

The accompanying notes 1 to 20 form an integral part of these interim condensed financial statements.

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Albert Y. Hong
(Chief Financial Officer)
Raja M. Al Harbi
(Chief Executive Officer)
Ziyad A. Al-Sheikh
(Deputy Chairman)

ARABIAN COMPANY FOR AGRICULTURAL AND INDUSTRIAL INVESTMENT
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the three-month period ended 31 March 2026
(Amounts in Saudi Riyals)

	For the three-month period ended	
	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited) (Restated note 18)
Loss for the period	(1,398,777)	(14,350,536)
<u>Other Comprehensive Income</u>		
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>		
Remeasurement gain on employees' defined benefit liabilities	-	-
Other Comprehensive income for the period	-	-
Total Comprehensive loss for the period	(1,398,777)	(14,350,536)

The accompanying notes 1 to 20 form an integral part of these interim condensed financial statements.

These interim condensed financial statements appearing on pages (1) to (19) were approved by Board of Directors and were signed by:

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(Chief Financial Officer)

Raja M. Al Harbi
(Chief Executive Officer)

Ziyad A. Al-Sheikh
(Deputy Chairman)

ARABIAN COMPANY FOR AGRICULTURAL AND INDUSTRIAL INVESTMENT

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**For the three-month period ended 31 March 2026**

(Amounts in Saudi Riyals)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total</u>
As at 31 December 2024 (Audited)	300,000,000	7,504,503	153,076,140	460,580,643
Loss for the period - (Restated note 18)	-	-	(14,350,536)	(14,350,536)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period - (Restated note 18)	-	-	(14,350,536)	(14,350,536)
As at 31 March 2025 (Unaudited)	<u>300,000,000</u>	<u>7,504,503</u>	<u>138,725,604</u>	<u>446,230,107</u>
As at 31 December 2025 (Audited)	300,000,000	7,504,503	12,424,281	319,928,784
Loss for the period	-	-	(1,398,777)	(1,398,777)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(1,398,777)	(1,398,777)
As at 31 March 2026 (Unaudited)	<u>300,000,000</u>	<u>7,504,503</u>	<u>11,025,504</u>	<u>318,530,007</u>

The accompanying notes 1 to 20 form an integral part of these interim condensed financial statements.

These interim condensed financial statements appearing on pages (1) to (19) were approved by Board of Directors and were signed by:

		
Albert Y. Hong (Chief Financial Officer)	Raja M. Al Harbi (Chief Executive Officer)	Ziyad A. Al-Sheikh (Deputy Chairman)

ARABIAN COMPANY FOR AGRICULTURAL AND INDUSTRIAL INVESTMENT

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2026

(Amounts in Saudi Riyals)

	For the three-month period ended	
	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
		(Restated note 18)
OPERATING ACTIVITIES		
Loss before zakat	(1,333,994)	(13,850,536)
<i>Adjustments to reconcile loss before zakat to net cash flows:</i>		
Depreciation of property, plant and equipment	15,760,353	14,764,600
Amortization of intangible assets	106,106	66,204
Depreciation of right-of-use assets	12,995,205	3,464,917
Extinguishment of trade payables balances	(5,520,684)	-
Provision for employees' defined benefit liabilities	2,535,464	1,524,376
Provision for net realizable value	(6,999,536)	(4,921,167)
Impairment reversal on trade receivables and other receivables	6,744,362	2,989,379
Finance costs	13,836,543	11,545,594
(Gain) / loss on fair value remeasurement of biological assets	(10,722,471)	1,979,323
Gain on disposal of property, plant and equipment	-	(13,261,341)
Amortization of breeder birds	2,777,685	2,343,446
	30,179,033	6,644,795
<i>Changes in operating assets and liabilities:</i>		
Inventories	(33,204,157)	9,105,995
Biological assets	1,689,329	(19,379,996)
Prepayments and other receivables	(36,871,300)	(43,101,828)
Government subsidies receivable	(517,564)	5,466,833
Trade receivables	(41,239,246)	(45,277,322)
Trade payables	53,840,202	102,235,831
Accruals and other liabilities	32,174,496	(22,066,065)
Net cash from / (used in) operations	6,050,793	(6,371,757)
Employees' defined benefit liabilities paid	(754,099)	(1,134,000)
Net cash flows from / (used in) operating activities	5,296,694	(7,505,757)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(15,185,012)	(1,347,635)
Purchase of intangible assets	-	(512,511)
Proceeds from disposal of property, plant and equipment	-	19,351,401
Additions of long-term prepayments and other receivables	(274,664)	9,963,874
Additions of biological assets (breeder)	-	(5,459,226)
Net cash flows (used in) / from investing activities	(15,459,676)	21,995,903
FINANCING ACTIVITIES		
Proceeds from short-term loans	118,374,114	22,292,492
Repayment of short-term loans	(88,377,633)	(18,751,676)
Finance costs paid	(4,905,506)	(3,452,608)
Principle element of lease liabilities	(17,619,396)	(5,300,481)
Interest element of lease liabilities	(4,152,654)	(1,472,019)
Net cash flows from / (used in) financing activities	3,318,925	(6,684,292)
Net (decrease) / increase in cash and cash equivalents	(6,844,057)	7,805,854
Cash and cash equivalents at the beginning of the period	20,107,927	33,480,255
Cash and cash equivalents at the end of the period	13,263,870	41,286,109
SIGNIFICANT NON-CASH ITEMS		
Employees' defined benefit liabilities transferred to the Company	-	259,016
Recognition of right-of-use assets and lease liabilities	-	668,357

The accompanying notes 1 to 20 form an integral part of these interim condensed financial statements.

These interim condensed financial statements appearing on pages (1) to (19) were approved by Board of Directors and were signed by:

 <hr style="width: 100%;"/> <p>Albert Y. Hong (Chief Financial Officer)</p>	 <hr style="width: 100%;"/> <p>Raja M. Al Harbi (Chief Executive Officer)</p>	 <hr style="width: 100%;"/> <p>Ziyad A. Al-Sheikh (Deputy Chairman)</p>
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ARABIAN COMPANY FOR AGRICULTURAL AND INDUSTRIAL INVESTMENT

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

(Amounts in Saudi Riyals)

1. CORPORATE INFORMATION

Arabian Company for Agricultural and Industrial Investment (“ACAI”, or “the Company”) is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia under commercial registration numbered 1010318944 dated 24 Thul-Qi’dah 1432H (corresponding to 22 October 2011) and Unified Identification number 7013115642.

The Company is a subsidiary of Arabian Agricultural Services Company (“ARASCO”) or (the “Parent Company”).

On 11 Thul Qi’dah 1445H (corresponding to 19 May 2024), the General Assembly of Shareholders decided to proceed for an Initial Public Offering (“IPO”) and listing of 30% of its ordinary shares on Saudi Stock Exchange (“Tadawul”), which was approved by Capital Market Authority (“CMA”) on 27 Rabi Al-Awwal 1446H (corresponding to 30 September 2024). The allocation of shares to new shareholders was completed and the Company’s ordinary shares began trading on Saudi Stock Exchange (“Tadawul”) on 17 Ramadan 1446H (corresponding to 17 March 2025).

The Company’s licensed activities include preparation and processing of egg products for wholesale, dairy products for wholesale, eggs and their products for wholesale, wholesale of frozen meat and poultry, cultivation of grains including wheat, barley, yellow and white corn, cultivation of fiber crops including cotton, jute, flax, etc., cultivation of fodder such as clover and others for animal feed, cattle farming, camel and livestock farming, wholesale egg production, broiler chicken production, animal production support activities, production of chilled and frozen meat, preservation and processing of meat and its products through various methods such as drying and canning, egg product manufacturing, and land transport of goods.

The Company’s national address is Building no. 3927, Al Amir Sultan Ibn Abdul Aziz Road, Al Olaya District, Unit no. 97, Riyadh 12311 – 7380, Kingdom of Saudi Arabia.

The Company operates through its Head Office in Riyadh and two branches in Kingdom of Saudi Arabia as below:

City	Date	Commercial Registration Number
Riyadh	20 Jumada Al-Akhirah 1415H (corresponding to 24 November 1994)	1010130873
Riyadh	10 Rajab 1424H (corresponding to 7 September 2003)	1010189677

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These Interim Condensed Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 ‘Interim Financial Reporting’ that is endorsed in the 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 and should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2025. IAS 34 states that the Interim Condensed Financial Statements are intended to provide an update on the latest complete set of Annual Financial Statements.

2 BASIS OF PREPARATION (CONTINUED)

2.1 Statement of Compliance (continued)

Hence, IAS 34 requires less disclosure in Interim Condensed Financial Statements than IFRS requires in Annual Financial Statements.

The Company's management concluded that there is no material uncertainties related to current events or conditions that may cast significant doubt on its ability to continue as a going concern in spite of the Company's current liabilities exceeded current assets by SR 104.13 million for the year period 31 March 2026. However, the Company has positive cashflow from operating activities and retained earnings balance which are considered as indicator for the ongoing operations of the company and to mitigate the effect of that event, the Company maintains committed credit facilities with different banks to support, having adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

2.2 Preparation of the Interim Condensed Financial Statements

These Interim Condensed Financial Statements have been prepared on the historical cost basis except for the following material item in the Interim Condensed Statement of Financial Position:

- Biological assets are measured at fair value less costs to sell, except when fair value cannot be measured reliably. In such cases, biological assets are measured at historical cost less accumulated depreciation and accumulated impairment losses.
- The employees' defined benefit liabilities is recognized at the present value of future obligations using the Projected Unit Credit Method.

2.3 Use of Judgments and Estimates

In preparing these Interim Condensed Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments 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.

2.4 Functional And Presentation Currency

These Interim Condensed Financial Statements are presented in Saudi Riyals which is the Company's functional and presentation currency.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in preparation of these Interim Condensed Financial Statements are consistent with those followed in the preparation of the Company's Financial Statements for the year ended 31 December 2025. These Interim Condensed Financial Statements should be read in conjunction with the Company's Annual Financial Statements as at 31 December 2025.

Accounting policies adopted in preparation of these Interim Condensed Financial Statements are described in note 3 of the Company's Financial Statements for the year ended 31 December 2025.

ARABIAN COMPANY FOR AGRICULTURAL AND INDUSTRIAL INVESTMENT
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

(Amounts in Saudi Riyals)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 New Standards, Amendment to Standards and Interpretations

There are new standards and number of amendments to standards which are effective from 1 January 2026 and have been explained in Company's Annual Financial Statements, but they do not have a material effect on the Company's Interim Condensed Financial Statements.

4. SEGMENT INFORMATION

The Company operates principally in a single business segment for food business which includes distribution of fresh and frozen chicken, table eggs and processed poultry and poultry related products. This is in line with the operating segment that is regularly reported to Chief Executive Officer ("CEO"), who is the Chief Operating Decision Maker ("CODM"). This is also the measure reported to the Company's Board of Directors for the purpose of making decisions about resource allocation and performance assessment. The operations of the Company are mainly in the Kingdom of Saudi Arabia with some export sales to GCC and other countries. For management reporting purposes, the Company is organized into a single business unit of poultry and related products which is identified as a reportable segment. All assets and liabilities are tagged to the same reportable segment.

Following is the summary of revenue allocated to geographical segments:

	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
		(Restated note 18)
Region-wise revenue recognition		
Kingdom of Saudi Arabia	408,550,789	331,805,375
UAE	4,517,760	5,189,638
Kuwait	3,783,946	1,269,700
Qatar	3,497,098	-
Germany	1,015,705	-
Iraq	465,000	1,120,000
Jordan	158,400	-
Pakistan	97,760	-
Bahrain	-	98,675
	422,086,458	339,483,388

5. INVENTORIES

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Finished goods (a)	95,236,425	84,245,829
Spare parts (a)	41,638,016	42,170,819
Goods in transit	33,993,114	20,371,137
Packing materials (a)	21,720,468	20,422,369
Goods for trading (a)	6,011,733	1,077,471
Medicines and vaccination (a)	5,653,968	2,835,113
Raw materials	5,502,438	5,597,109
Fuel and diesel	5,077,459	5,006,018
Others (a)	11,440,721	11,344,320
	226,274,342	193,070,185
Less: allowance for net realizable value of inventories	(15,019,783)	(22,019,319)
	211,254,559	171,050,866

ARABIAN COMPANY FOR AGRICULTURAL AND INDUSTRIAL INVESTMENT

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the three-month period ended 31 March 2026**

(Amounts in Saudi Riyals)

5. INVENTORIES (CONTINUED)

Allowance for net realizable value of inventories as below:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	22,019,319	20,439,601
Transfer during the period / year (Reversals) / Addition of allowance during the period / year	-	(1,018,051)
	(6,999,536)	2,597,769
At the end of the period / year	15,019,783	22,019,319

- (a) Inventories are presented net of the provision balance for discrepancies identified from the physical counts, amounting to SR 58,792,162 as at 31 March 2026 (2025: SR 58,792,162).

6. BIOLOGICAL ASSETS

Biological assets consist of poultry, which is raised in farms located in Kingdom of Saudi Arabia. As at 31 March 2026, the Company had a volume of 13.0 million live broiler birds (31 December 2025: 12.9 million live broiler birds). During the period ended 31 March 2026, the Company produced 38.1 million broiler birds (31 December 2025: 122.4 million broiler birds). Further, the Company had a volume of 196,399 live breeder birds (31 December 2025: 188,421) which are breeding eggs to produce broiler.

The movement of biological assets as of 31 March 2026, is as follows:

	Breeder	Hatchery eggs	Broiler birds	Total
At the beginning of the period	12,033,152	20,716,891	64,791,463	97,541,506
Additions during the period	-	69,981,729	218,518,695	288,500,424
Change in fair value during the period	-	-	10,722,471	10,722,471
Amortization during the period	(2,777,685)	-	-	(2,777,685)
Transferred to broiler birds	-	(68,891,571)	68,891,571	-
Transferred to inventories	-	-	(290,189,753)	(290,189,753)
At the end of the period	9,255,467	21,807,049	72,734,447	103,796,963

The movement of biological assets as of December 31, 2025, is as follows:

	Breeder	Hatchery eggs	Broiler birds	Total
At the beginning of the year	6,510,000	17,836,197	48,160,000	72,506,197
Additions during the year	20,028,340	274,492,776	573,039,971	867,561,087
Change in fair value during the year	-	956,796	12,034,136	12,990,932
Amortization during the year	(14,505,188)	-	-	(14,505,188)
Transferred to broiler birds	-	(272,568,878)	272,568,878	-
Transferred to inventories	-	-	(841,011,522)	(841,011,522)
At the end of the year	12,033,152	20,716,891	64,791,463	97,541,506

Biological Assets Classification

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Current biological assets (Hatchery eggs & Broiler birds)	94,541,496	85,508,354
Non-current biological assets (Breeder)	9,255,467	12,033,152
	103,796,963	97,541,506

ARABIAN COMPANY FOR AGRICULTURAL AND INDUSTRIAL INVESTMENT
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2026

(Amounts in Saudi Riyals)

7. RELATED PARTY TRANSACTIONS AND BALANCES

The Company enters into transactions with the related parties described below in the ordinary course of business which includes the directors, management, shareholders and entities controlled or influenced by such parties. The transactions with related parties are carried out in the normal course of the business. The significant transactions with the related parties are as follows:

For the three-month period ended 31 March 2026 and 31 March 2025:

Related Parties	Relationship	Nature of transactions	Amount of transactions	
			31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Arabian Agricultural Services Company (ARASCO)	Parent company	Purchases	136,317,157	139,268,741
		Shared services	4,883,199	4,336,075
		Rent	2,587,500	2,587,500
		Sales	2,397,923	2,218,063
		Costs paid on behalf of the Company	(16,325,721)	(6,643,787)
IDAC Merieux Nutri Sciences	Under common control by ARASCO	Purchases	653,016	983,341
AlKhorayef Lubricants Company	Owned by Shareholder of parent company	Purchases	20,827	-
AlKhorayef Agriculture Projects Company	Owned by Shareholder of parent company	Purchases	-	42,320
		Rent	-	552,000
AlKhorayef Commercial Company	Owned by Shareholder of parent company	Purchases	280,278	42,614
Delicious Food Company	Owned by a member of board of directors	Sales	202,680	159,246
Al Hanaki Trading Establishment	Owned by Shareholder of parent company	Sales	220,800	29,900

Outstanding balances with the related parties are presented below:

Period / Year-end balances resulting from transactions with related parties as below:

Balances recorded in trade receivables from related parties:

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Delicious Food Company	10	63,501	78,953
Al Hanaki Trading Establishment	10	220,800	-
		284,301	78,953

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7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Balances recorded in trade payables:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Arabian Agricultural Services Company (“ARASCO”)	163,562,689	150,264,631
IDAC Merieux Nutri Sciences	260,796	232,974
AlKhorayef Commercial Company	28,750	13,399
AlKhorayef Lubricants Company	20,826	63,895
Middle East Food Solutions Company	235	235
	<u>163,873,296</u>	<u>150,575,134</u>

Terms and conditions of transactions with related parties

Terms and policies of related parties’ transactions are approved by the Company's management. Outstanding balances at the period / year end are unsecured and interest free and settlement occurs in cash.

Key management compensation

The compensation of the Company’s key management personnel includes salaries and other benefits. Amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

	For the three-month period ended	
	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
Short-term employee benefits	3,532,909	2,365,499
Long-term employee benefits	140,867	95,758
Board of directors’ remuneration	891,999	590,678
	<u>4,565,775</u>	<u>3,051,935</u>

Other related party, as required under Article (71) of the Saudi Companies Law

Other related party’ transactions for the period ended 31 March 2026 and 31 March 2025:

			Amount of transactions	
			31 March 2026	31 March 2025
Related Party	Relationship	Nature of transactions	(Unaudited)	(Unaudited)
Abdullah Al-Othaim Markets Company	Chairman of the Board	Sales	<u>22,772,407</u>	<u>18,921,677</u>

Balance recorded in the trade receivables from third parties:

		31 March 2026	31 December 2025
	<i>Note</i>	(Unaudited)	(Audited)
Abdullah Al-Othaim Markets Company	10	<u>25,492,272</u>	<u>20,301,511</u>

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8. RIGHT-OF-USE ASSETS

The Company is utilizing leases for farmland for its farming activities. Duration of the leased land farms is from 2 to 13 years. At the beginning of 2025, the Company entered into a contract with a third party to lease a fleet of vehicles for 5 years.

Right-of-use assets

	<i>Land</i>	<i>Building/farms</i>	<i>Motor vehicles</i>	<i>Total</i>
<u>Cost:</u>				
At 1 January 2026	10,832,334	186,503,185	121,438,202	318,773,721
Additions during the period	-	-	-	-
At 31 March 2026	<u>10,832,334</u>	<u>186,503,185</u>	<u>121,438,202</u>	<u>318,773,721</u>
<u>Accumulated Depreciation:</u>				
At 1 January 2026	4,247,975	38,615,547	24,287,639	67,151,161
Charge for the period	212,399	6,710,895	6,071,911	12,995,205
At 31 March 2026	<u>4,460,374</u>	<u>45,326,442</u>	<u>30,359,550</u>	<u>80,146,366</u>
<u>Net Book Value:</u>				
At 31 March 2026	<u><u>6,371,960</u></u>	<u><u>141,176,743</u></u>	<u><u>91,078,652</u></u>	<u><u>238,627,355</u></u>

	<i>Land</i>	<i>Building/farms</i>	<i>Motor vehicles</i>	<i>Total</i>
<u>Cost:</u>				
At 1 January 2025	10,832,334	119,634,884	-	130,467,218
Additions during the year	-	74,232,354	121,438,202	195,670,556
Cancelled during the year	-	(7,364,053)	-	(7,364,053)
	<u>10,832,334</u>	<u>186,503,185</u>	<u>121,438,202</u>	<u>318,773,721</u>
<u>Accumulated Depreciation:</u>				
At 1 January 2025	3,398,380	19,664,431	-	23,062,811
Charge for the year	849,595	23,553,649	24,287,639	48,690,883
Cancelled during the year	-	(4,602,533)	-	(4,602,533)
At 31 December 2025	<u>4,247,975</u>	<u>38,615,547</u>	<u>24,287,639</u>	<u>67,151,161</u>
<u>Net Book Value:</u>				
At 31 December 2025	<u><u>6,584,359</u></u>	<u><u>147,887,638</u></u>	<u><u>97,150,563</u></u>	<u><u>251,622,560</u></u>

Depreciation of right of use asset is allocated to cost of revenue, general and administration expenses and selling and distribution expenses.

Lease liability

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Lease liability at beginning of the period / year	258,543,398	104,891,303
Additions during the period / year	-	195,670,556
Finance cost during the period / year	4,152,654	14,391,363
Payments during the period / year	(21,772,050)	(53,449,351)
Written-off during the period / year	-	(2,960,473)
At the end of the period / year	<u>240,924,002</u>	<u>258,543,398</u>
Current portion of lease liabilities	63,631,960	71,296,960
Non-current portion of lease liabilities	177,292,042	187,246,438
Total	<u>240,924,002</u>	<u>258,543,398</u>

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9. PREPAYMENTS AND OTHER RECEIVABLES**A) SHORT TERM PREPAYMENTS**

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Advances to suppliers	40,482,696	23,576,548
Prepaid expenses (*)	21,552,253	5,060,522
Insurance receivable	6,500,000	6,500,000
Staff advances and loans	1,200,927	905,651
Fleet sales receivable	37,624	37,624
Refundable deposits	-	502,335
Other receivables	2,451,077	2,951,077
	<u>72,224,577</u>	<u>39,533,757</u>
Less: provision for impairment	<u>(3,256,648)</u>	<u>(5,441,129)</u>
	<u>68,967,929</u>	<u>34,092,628</u>

(*) Prepaid expenses mainly represent medical insurance for the employees.

Movement for provision for impairment was as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	5,441,129	5,057,551
Provided during the period / year	1,995,999	383,578
Write-off during the period / year (**)	<u>(4,180,480)</u>	<u>-</u>
	<u>3,256,648</u>	<u>5,441,129</u>

(**) Pursuant to the recommendation of the Audit Committee dated 07 March 2026 concerning the write-off of certain trade receivables, trade payables, and advances to suppliers deemed uncollectible or unrecoverable, the Board of Directors approved the proposed write-offs on 09 March 2026. Accordingly, the related financial impact was recognized in the interim condensed financial statements for the period ended 31 March 2026.

B) LONG TERM PREPAYMENTS

Long-term prepayments, presented within non-current assets, represent advances paid to suppliers in relation to capital expenditure projects. These prepayments will be settled through the receipt of goods or services upon completion of the respective projects. The assets are carried at cost and are reviewed periodically to assess recoverability based on the status of the underlying capital projects.

10. TRADE RECEIVABLES

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivable – third parties		219,026,580	217,712,938
Receivable from related parties	7	284,301	78,953
Less: Provision for expected credit losses		<u>(15,916,423)</u>	<u>(50,888,316)</u>
		<u>203,394,458</u>	<u>166,903,575</u>

Movement for provision for expected credit losses were as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	50,888,316	54,239,400
Provided / (Reversed) during the period / year	4,748,363	(3,351,084)
Written off during the period / year (Note 9)	<u>(39,720,256)</u>	<u>-</u>
At the end of the period / year	<u>15,916,423</u>	<u>50,888,316</u>

Trade receivables disclosed above are classified as financial assets at amortised cost.

Trade receivables comprise of interest free net receivables due from customers with no credit rating.

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11. LOANS AND BORROWINGS

At the inception of the Company, the Parent Company shareholder had obtained various ADF loans and Tawaruq loans from different local banks which were allocated to the Company through shareholders' agreement which had been transferred in full under name of the Company in 2024. These loans carry interest rates at fixed or floating rates. The long-term loans are payable in instalments which are spread over the period up to 2034. The loans were obtained mainly for the purpose of financing the farms and factory construction.

11.1 Long term loans

Following are the long-term loans for the Company:

Loan source	Loan currency	Maturity date	Principal amount	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Domestic bank 1	SR	2027	90,000,000	90,000,000	90,000,000
Domestic bank 2	SR	2034	189,754,124	189,754,124	189,754,124
Domestic bank 3	SR	2031	320,000,000	320,000,000	320,000,000
				599,754,124	599,754,124
Less: unamortized portion of prepaid fees				(4,288,580)	(4,573,362)
				595,465,544	595,180,762

Classification of long-term loans into current and non-current portion is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Current portion	53,954,698	53,918,231
Non-current portion	541,510,846	541,262,531
	595,465,544	595,180,762

Domestic bank 3 is secured through promissory note of SR 492 million obligated by the Company.

Domestic bank 2 is secured through pledge of lands, machinery and equipment as well.

Movement in long-term loans were as below:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	599,754,124	534,729,413
Proceeds during the period / year	-	90,000,000
Payments during the period / year	-	(24,975,289)
At the end of the period / year	599,754,124	599,754,124

Less: Prepaid Management Fee and Transaction costs:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	4,573,362	5,913,839
Amortised during the period / year	(284,782)	(1,340,477)
At the end of the period / year	4,288,580	4,573,362
Net loans	595,465,544	595,180,762

The loans are subject to certain financial covenants, the breach of which may trigger renegotiation of terms. These covenants are regularly monitored by management, and in the event of a potential breach, appropriate measures are taken to ensure compliance.

The loan contains a covenant stating that the Company shall ensure at specific times that:

- Total liabilities to tangible net worth shall not be more than 1:1.5 - 2.5.
- Current ratio not less than 1:1 - 1.1.
- Debt service cover shall not be less than 1.1 - 1.3:1.

On 31 March 2026, the above thresholds were exceeded and were not complied with the covenants, as a result the management obtained the waivers from the relevant banks till 31 December 2026 as the compliance shall be assessed annually. Accordingly, the loan is classified as non-current on 31 March 2026.

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11. LOANS AND BORROWINGS (CONTINUED)

11.2 Short term loans

The following are the short-term bank loans for the Company:

<i>Loan source</i>	<i>Loan currency</i>	<i>Maturity date</i>	<i>Facilities Limit</i>	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Domestic bank 2	SR	2026	120,000,000	106,890,305	28,993,824
Domestic bank 3	SR	2026	100,000,000	-	47,900,000
			<u>220,000,000</u>	<u>106,890,305</u>	<u>76,893,824</u>

Movement in short-term loans were as below:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	76,893,824	75,040,899
Addition during the period / year	118,374,114	295,091,792
Payments during the period / year	(88,377,633)	(293,238,867)
At the end of the period / year	<u>106,890,305</u>	<u>76,893,824</u>

12. REVENUE

	For the three-month period ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited) (Restated note 18)
Domestic sales:		
Poultry sales	377,756,297	301,526,740
Table eggs sales	17,822,918	18,365,851
By-product sales	5,545,708	5,657,034
Live birds sales	3,769,607	-
Packaging services	3,656,259	4,535,904
Red meat sales	-	244,836
Hatching services	-	1,475,010
	<u>408,550,789</u>	<u>331,805,375</u>
Export sales:		
Export poultry sales	7,429,244	3,463,495
Export by-product sales	4,865,715	4,214,518
Export table eggs	1,240,710	-
	<u>422,086,458</u>	<u>339,483,388</u>
Customer wise revenue recognition:		
External customers	419,265,055	337,076,179
Related party customers	2,821,403	2,407,209
	<u>422,086,458</u>	<u>339,483,388</u>
Timing of revenue recognition		
Recognized at a point in time	<u>422,086,458</u>	<u>339,483,388</u>

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13. COST OF REVENUE

	For the three-month period ended	
	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
		(Restated note 18)
Direct materials and overheads (*)	277,263,306	231,894,926
Salaries, wages and related costs	31,893,104	29,514,773
Depreciation of property, plant and equipment	15,280,455	14,227,801
Depreciation of right-of-use assets	10,986,607	8,374,895
Packaging materials	10,618,794	8,007,524
Repair and maintenance	10,018,273	7,487,763
Utilities	3,610,181	3,679,849
Shipping and freight	3,324,838	7,597,526
Amortization of breeder birds	2,777,685	2,343,446
Provision for employees' defined benefit liabilities	1,055,577	900,314
Government subsidies (**)	(3,797,362)	(1,461,090)
Reversal of allowance for net realizable value of inventories	(6,999,536)	(4,921,167)
Fair value remeasurement of biological assets	(10,722,471)	(1,979,323)
Others	3,067,272	1,115,584
	348,376,723	306,782,821

(*) Overheads include material scrapped, fuel and diesel, hygiene material, vaccinations, sundry consumables, and other indirect charges.

The Direct materials and overheads include inventory write-offs and provisions, net amounting to SAR Nil for the period ended 31 March 2026 (31 March 2025: SAR 16.37 million).

(**) Government subsidy receivables for the production of poultry and compensation for diesel as well, supported by the Government of Saudi Arabia, have been recognized against the cost of materials.

14. OTHER INCOME

	For the three-month period ended	
	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
		(Restated note 18)
Extinguishment of account payable balances (Note 9)	5,520,684	-
Exchange rate differences	(167,336)	10,434
Gain on disposal of property, plant and equipment	-	13,261,341
Others	-	150,082
	5,353,348	13,421,857

15. LOSS PER SHARE (LPS)

Loss per share ("LPS") is calculated by dividing the loss for the period by the weighted average number of ordinary shares outstanding during the period.kkk

The following table reflects the income and shares data used in the basic and diluted LPS computations:

	For the three-month period ended	
	31 March 2026	31 March 2025
	(Unaudited)	(Unaudited)
		(Restated note 18)
Loss for the period	(1,398,777)	(14,350,536)
Weighted average number of ordinary shares for basic and diluted LPS	30,000,000	30,000,000
Loss per share – basic and diluted	(0.05)	(0.48)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of the interim condensed financial statements.

16. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Contingent liabilities

The contingent liabilities against letters of credit are SR 6.23 million as at 31 March 2026 (31 December 2025: SR 22.5 million) for the benefit of its external suppliers for raw materials purchases.

There are letter of guarantees requested by ARASCO for the benefit of the Company amounting to SR 4.18 million and SR 52.23 million as at 31 March 2026 (31 December 2025: SR 54.11 million).

Capital commitments

The capital commitments related to ongoing capital work-in-progress projects amounts to SR 24.82 million (31 December 2025: SR 26.8 million).

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's interim condensed financial assets consist of cash and cash equivalents, due from related parties, trade receivables and prepayments and other receivables. Its financial liabilities consist of trade payables, lease liabilities, due to related parties, long-term loans, short-term loans and accruals 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.

18. ADJUSTMENTS AND RECLASSIFICATION OF COMPARATIVE FIGURES

A. Adjustments of comparative figures of March 31, 2025

During the period ended 31 March 2026, the management has corrected following errors by restating the figures for each of the affected financial statements' items as at and for period ended 31 March 2025. These adjustments listed below have an impact on previously reported net income, retained earnings and net assets for the period ended 31 March 2025.

18.1.1 Rebates and promotion costs of SR 3.5 million was corrected in accordance with the of IFRS 15.

18.1.2 Inventory provision of SR 16.4 million recorded in accordance with IAS 2. In addition, a cost of revenue related to sale inventory was not recorded by amount of SR 20.2 million.

18.1.3 Depreciation expense for property, plant and equipment was not recorded in accordance with IAS 16 by SR 1.7 million.

18.1.4 Depreciation of SR 1 million and related finance cost SR 1.8 million related to right of use assets and lease liabilities, respectively was corrected in accordance with IFRS 16.

a. Reclassifications of comparative figures of March 31, 2025

Certain income statement comparative figures have been reclassified to conform with the classification used for the period ended 31 March 2025. These reclassifications listed below have no impact on previously reported net income. These reclassifications were in line with the reclassifications within the approved financial statements as at and for the financial year ended 31 December 2025.

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18. ADJUSTMENTS AND RECLASSIFICATION OF COMPARATIVE FIGURES (CONTINUED)

Statement of Profit or Loss for the period ended 31 March 2025

Item	As previously reported	Adjustments	Note	Reclassification	Amount after adjustments and reclassification
Revenue	320,084,961	3,515,961	18.1.1	15,882,466	339,483,388
Cost of revenue	(259,315,361)	(37,231,785)	18.1.2 / 18.1.3 / 18.1.4	(10,235,675)	(306,782,821)
Gross profit	60,769,600	(33,715,824)		5,646,791	32,700,567
General and Administrative expenses	(16,340,690)	-		(632,666)	(16,973,356)
Other income	19,432,771	-		(6,010,914)	13,421,857
Fair value adjustment on biological assets	(364,123)	-		364,123	-
Finance costs	(10,370,842)	(1,807,418)	18.1.4	632,666	(11,545,594)
Profit / (Loss) for the period	21,172,706	(35,523,242)		-	(14,350,536)
Earnings / (loss) per share – basic and diluted	0.71	(1.18)		-	(0.48)

Statement of cash flow for the period ended March 31, 2025

	As previously reported	Adjustments and reclassification	Amount after Adjustments and reclassification
Profit before zakat	21,672,706	(35,523,242)	(13,850,536)
Net cash used in operating activities	(2,699,439)	(4,806,318)	(7,505,757)
Net cash from investing activities	17,491,255	4,504,648	21,995,903
Net cash used in financing activities	(6,985,962)	301,670	(6,684,292)
Increase in cash and cash equivalents	7,805,854	-	7,805,854

19. SUBSEQUENT EVENTS

Geopolitical and security developments: The Middle East region has witnessed rapid geopolitical and security developments, which have led to an increased level of instability in certain regional markets. These developments do not result in any adjustments to the balances recognized in the interim condensed financial statements for the first quarter ended 31 March 2026.

Based on the information available up to the date of approval of the interim condensed financial statements, management has not identified any material indicators that may adversely affect the Company's ability to continue as a going concern. Management will continue to monitor the relevant developments and take appropriate actions when necessary.

20. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These Interim Condensed Financial Statements were authorised for issuance by the Company's Board of Directors on 24 Dhu al-Qi'dah 1447H (Corresponding to 11 May 2026).