TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”
A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026
AND THE INDEPENDENT AUDITOR’S REVIEW REPORT

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RSM Allied Accountants Professional Services Co.

Riyadh - Olaya District - Al Oruba Street
1st Floor, Building No. 3193
P.O. Box 8335, Riyadh - 12333
Tel.: +966 11 416 9361
Fax: +966 11 416 9349
Kingdom of Saudi Arabia
www.rsmksa.com
C.R : 4030228773

شركة ار اس ام المحاسبون المتحدون للإستشارات المهنية

الريـاض – حي العليا - طريق العروبة
مبنى رقم ٣١٩٣ ، الطابق الأول
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فاكس: ٩٣٤٩ ٤١٦ ١١ ٩٦٦+
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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

TO THE SHAREHOLDERS OF
TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
A SAUDI JOINT STOCK COMPANY
JEDDAH, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tabuk Agricultural Development Company "TADCO" (a Saudi joint stock company) (the "Company") and its subsidiaries (together the "Group") as of 30 June 2026, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes.

Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

SCOPE OF REVIEW

Except as described in the following section, 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", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures 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, accordingly, does not enable us to obtain assurance that we would become aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BASIS FOR QUALIFIED CONCLUSION

We were unable to obtain the financial statements of one of the subsidiaries for the year ended 31 December 2025, and we were unable to perform any alternative procedures that would enable us to verify the accuracy of the value and presentation of the subsidiary's figures that were consolidated in this interim condensed consolidated financial information. We were also unable to verify the extent of the Company's control over that subsidiary, and consequently, we were unable to verify the appropriateness of the consolidation of the figures and balances for the subsidiary within the interim condensed consolidated financial information for the three-month and six-month periods ended 30 June 2026 and 2025, and the Group's consolidated financial statements for the year ended 31 December 2025.

Had we been able to obtain the necessary data, matters might have come to our attention indicating that adjustments might have been necessary to the interim condensed consolidated financial information for the three-month and six-month periods ended 30 June 2026 and 2025, and the Group's consolidated financial statements for the year ended 31 December 2025.

QUALIFIED CONCLUSION

Based on our review, and except for the potential adjustments for the matter described in the "Basis for Qualified Conclusion" paragraph on the interim condensed consolidated financial information, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

TO THE SHAREHOLDERS OF
TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
A SAUDI JOINT STOCK COMPANY
JEDDAH, KINGDOM OF SAUDI ARABIA

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note (2-5) to the accompanying interim condensed consolidated financial information, which indicates the existence of a material uncertainty related to going concern, where the Group's total accumulated losses amounted to SAR 324 million as at 30 June 2026, representing 83% of the share capital. Also, as at that date, the Group's total current liabilities exceeded its total current assets, resulting in a working capital deficit of SAR 180 million, in addition to negative cash flows from operating activities for the six-month period ended 30 June 2026 amounting to SAR 29.7 million. These events and conditions, along with other matters explained in Note (2-5), indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Management has prepared the accompanying interim condensed consolidated financial information on a going concern basis based on its assessment of the Group's ability to generate sufficient positive cash flows to enable it to meet its obligations as they fall due and continue its operations. Our conclusion is not modified in respect of this matter.

EMPHASIS OF MATTER – RECLASSIFICATION OF INVESTMENT IN A SUBSIDIARY

We draw attention to Note (15) to the accompanying interim condensed consolidated financial information, which explains that the Group reclassified the operating results of one of its subsidiaries to be presented within continuing operations instead of discontinued operations, in accordance with International Financial Reporting Standard (5) "Non-current Assets Held for Sale and Discontinued Operations". The referred note explains the reasons for the reclassification and its impact on the presented comparative figures. Our conclusion is not modified in respect of this matter.

OTHER MATTER

The Group's consolidated financial statements for the year ended 31 December 2025 were audited by another auditor who expressed a qualified opinion on these consolidated financial statements dated 20 Shawwal 1447H (corresponding to 8 April 2026). The previous qualification was based on two matters:

1. Inability to obtain the audited financial statements of Masader Agricultural Feed Company (a subsidiary) as at 31 December 2025: and this matter continues to exist for the current financial period.

2. Classification of the investment in the subsidiary as "discontinued operations". During the current financial period, the Group addressed this matter through reassessing and amending the classification of the investment in Masader Agricultural Feed Company to be presented within continuing operations, and the comparative figures for the previous period were restated (refer to Note 15).

In addition, the interim condensed consolidated financial information for the three-month and six-month periods ended 30 June 2025 was reviewed by another auditor who expressed an unmodified conclusion on such interim condensed consolidated financial information dated 17 Safar 1447H (corresponding to 11 August 2025).

RSM Allied Accountants Professional Services

شركة ار اس ام المحاسبون المتحدون للإستشارات المهنية
س.ت: ٤٠٣٠٢٢٨٧٧٣
C.R. 4030228773
RSM Allied Accountants Professional Services Co.

Mohammed Abdulmajeed Mohandes
License No. 564
Jeddah, Saudi Arabia
04 Rabie Awwal 1448H (corresponding to 17 August 2026)

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2026
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	30 June 2026	31 December 2025 (Restated) Note (15)
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	**157,663,460**	165,879,551
Investments in associate companies through equity method	6	**99,881,616**	138,480,389
Investments at fair value through other comprehensive income		**222,400**	222,400
Right-of-Use Assets		**74,970**	81,786
Total non-current assets		**257,842,446**	304,664,126
Current assets			
Inventories	7	**7,703,095**	10,035,200
Biological assets	8	**2,071,195**	-
Prepaid expenses and other receivables		**3,332,295**	2,508,056
Due from related party	9	**9,724,399**	9,726,224
Trade receivables		**1,230,359**	393,140
Cash and cash equivalents		**7,925,843**	1,344,181
Total current assets		**31,987,186**	24,006,801
Total assets		**289,829,632**	328,670,927
EQUITY AND LIABILITIES			
Equity			
Share capital		**391,767,000**	391,767,000
Other reserves		**1,858,734**	1,858,734
Remeasurement reserve of employee's benefits obligations		**4,748,133**	3,703,937
Foreign currency translation reserve		**(7,441,582)**	(7,086,058)
Fair value reserve		**(190,400)**	(190,400)
Accumulated losses		**(324,331,519)**	(303,282,531)
Total equity attributable to shareholders of the Parent Company		**66,410,366**	86,770,682
Non-controlling interest		**(190,287)**	446,345
Total equity		**66,220,079**	87,217,027
Liabilities			
Non-current liabilities			
Long term loans - non-current portion	10	**-**	14,553,385
Lease Liabilities – non-current portion		**49,149**	59,055
Employee defined benefit obligations		**11,439,586**	12,897,074
Total non-current liabilities		**11,488,735**	27,509,514
Current liabilities			
Long-term loans - current portion	10	**89,997,937**	74,192,420
Lease liabilities - current portion		**14,463**	14,463
Trade payables		**34,295,153**	40,805,194
Due to related party	9-2	**17,572,654**	17,572,654
Dismantling and transportation provision		**1,364,756**	1,356,956
Deferred government grants		**255,807**	521,817
Accrued expenses and other payables		**45,579,683**	52,731,962
Dividends payable to shareholders		**22,864,607**	22,871,812
Zakat provision		**175,758**	3,877,108
Total current liabilities		**212,120,818**	213,944,386
Total liabilities		**223,609,553**	241,453,900
Total equity and liabilities		**289,829,632**	328,670,927

Chief Financial Officer	**Chief Executive Officer**	**Chairman**
Ali Abdulmajeed Hijab	Khalid Saleh Al-Amoudi	Nasser Dhaifallah Al-Rahili

The accompanying notes from 1 to 18 are an integral part of these Interim condensed consolidated financial information

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026
(ALL AMOUNTS ARE IN SAUDI RIYALS "□" UNLESS OTHERWISE STATED)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026	2025 (Restated) Note (15)	**2026**	2025 (Restated) Note (15)
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
PROFIT OR LOSS					
CONTINUING OPERATIONS:					
Revenue		**905,164**	12,320,697	**1,498,652**	25,429,801
Cost of revenue		**(5,071,756)**	(29,336,297)	**(12,119,808)**	(42,544,856)
Gross loss		**(4,166,592)**	(17,015,600)	**(10,621,156)**	(17,115,055)
Selling and distribution expenses		**(1,356,600)**	(4,477,578)	**(3,005,026)**	(7,338,174)
General and administrative expenses		**(4,862,161)**	(6,341,333)	**(8,768,441)**	(11,806,246)
Loss from operations		**(10,385,353)**	(27,834,511)	**(22,394,623)**	(36,259,475)
Company's share of profit from investments in associate companies through equity method		**923,684**	12,678,230	**1,959,248**	14,045,738
Reversal of provision / (provision expense) for expected credit losses		**1,095,698**	(458,542)	**1,012,814**	(961,046)
Reversal of provision for advances to suppliers		**-**	-	**160,035**	-
Finance costs, net		**(894,268)**	(377,893)	**(986,122)**	(630,393)
Other income /(expenses)		**1,650,129**	(1,991,143)	**2,580,195**	(1,439,808)
Losses on sale of investments in associate companies through equity method		**(1,913,920)**	-	**(3,932,203)**	-
Net loss for the period before zakat from continuing operations		**(9,524,030)**	(17,983,859)	**(21,600,656)**	(25,244,984)
Zakat		**-**	-	**-**	-
Net loss for the period from continuing operations		**(9,524,030)**	(17,983,859)	**(21,600,656)**	(25,244,984)
DISCONTINUED OPERATIONS:					
Profit for the period from discontinued operations		**-**	-	**-**	149,981
Net loss for the period		**(9,524,030)**	(17,983,859)	**(21,600,656)**	(25,095,003)
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to the profit or loss:					
Foreign currency translation differences		**400,411**	(17,379)	**(355,524)**	27,159
Items that will not be reclassified subsequently to the profit or loss:					
re-measurement of employee benefit obligations		**-**	616,429	**959,232**	616,429
Total other comprehensive income		**400,411**	599,050	**603,708**	643,588
Total comprehensive loss for the period		**(9,123,619)**	(17,384,809)	**(20,996,948)**	(24,451,415)
Basic and diluted loss per share for the period	11	**(0.23)**	(0.46)	**(0.54)**	(0.64)
Net loss for the period attributable to:					
Shareholders of the parent company		**(8,958,038)**	(17,974,354)	**(20,964,024)**	(25,076,551)
Non-controlling interest		**(565,992)**	(9,505)	**(636,632)**	(18,452)
		(9,524,030)	(17,983,859)	**(21,600,656)**	(25,095,003)
comprehensive loss for the period attributable to:					
Shareholders of the parent company		**(8,557,627)**	(17,375,304)	**(20,360,316)**	(24,432,963)
Non-controlling interests		**(565,992)**	(9,505)	**(636,632)**	(18,452)
		(9,123,619)	(17,384,809)	**(20,996,948)**	(24,451,415)

Chief Financial Officer	**Chief Executive Officer**	**Chairman**
Ali Abdulmajeed Hijab	Khalid Saleh Al-Amoudi	Nasser Dhaifallah Al-Rahili

The accompanying notes from 1 to 18 are an integral part of these Interim condensed consolidated financial information

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(ALL AMOUNTS ARE IN SAUDI RIYALS "□" UNLESS OTHERWISE STATED)

	Share capital	Other reserves	Remeasurement reserve of employees' benefits obligations	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interest	Total equity
30 JUNE 2025									
Balance as of 31 December 2024 (Audited)	391,767,000	1,858,734	(165,415)	(7,283,311)	718,800	(207,410,618)	179,485,190	500,000	179,985,190
Net loss for the period	-	-	-	-	-	(25,076,551)	(25,076,551)	(18,452)	(25,095,003)
Other comprehensive Income for the period	-	-	616,429	27,159	-	-	643,588	-	643,588
Total comprehensive loss for the period	-	-	616,429	27,159	-	(25,076,551)	(24,432,963)	(18,452)	(24,451,415)
Balance as of 30 June 2025 (Unaudited)	391,767,000	1,858,734	451,014	(7,256,152)	718,800	(232,487,169)	155,052,227	481,548	155,533,775
30 JUNE 2026									
Balance as of 31 December 2025 (Audited)	**391,767,000**	**1,858,734**	**3,703,937**	**(7,086,058)**	**(190,400)**	**(303,282,531)**	**86,770,682**	**446,345**	**87,217,027**
Net loss for the period	**-**	**-**	**-**	**-**	**-**	**(20,964,024)**	**(20,964,024)**	**(636,632)**	**(21,600,656)**
Other comprehensive Income for the period	**-**	**-**	**959,232**	**(355,524)**	**-**	**-**	**603,708**	**-**	**603,708**
Total comprehensive loss for the period	**-**	**-**	**959,232**	**(355,524)**	**-**	**(20,964,024)**	**(20,360,316)**	**(636,632)**	**(20,996,948)**
Reclassification of remeasurement reserve of employees' benefit obligations	**-**	**-**	**84,964**	**-**	**-**	**(84,964)**	**-**	**-**	**-**
Balance as of 30 June 2026 (Unaudited)	**391,767,000**	**1,858,734**	**4,748,133**	**(7,441,582)**	**(190,400)**	**(324,331,519)**	**66,410,366**	**(190,287)**	**66,220,079**

Chief Financial Officer	**Chief Executive Officer**	**Chairman**
Ali Abdulmajeed Hijab	Khalid Saleh Al-Amoudi	Nasser Dhaifallah Al-Rahili

TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"
A SAUDI JOINT STOCK COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2026
(ALL AMOUNTS ARE IN SAUDI RIYALS "□" UNLESS OTHERWISE STATED)

	Note	For the six-month period ended 30 June	
		2026	2025 (Restated) Note (15)
		(Unaudited)	(Unaudited)
OPERATING ACTIVITIES			
Loss for the period from continuing operations before zakat		**(21,600,656)**	(25,244,984)
Profit for the period from discontinued operations before zakat		**-**	149,981
Adjustments for:			
Depreciation of property, plant and equipment	5	**8,216,091**	7,661,549
Employees defined benefit obligations - charged for the period		**475,571**	2,335,963
Amortization of Right-of-Use Assets		**6,816**	6,816
Finance cost		**1,252,132**	630,393
Amortization of government grants		**(266,010)**	-
Expected credit losses provision		**82,887**	961,046
Reversal of expected credit loss provision		**(1,095,701)**	-
Reversal of provision for advances to suppliers		**(160,035)**	-
Provision for dismantling and transport		**7,800**	-
Provision for slow-moving and obsolete inventory		**1,872,859**	3,244,497
Share of profit from investments in associate companies through equity method		**(1,959,248)**	(14,045,738)
Losses on sale of investments in associate companies through equity method		**3,932,203**	-
Changes in operating assets and liabilities:			
Inventory		**459,246**	339,920
Biological assets		**(2,071,195)**	3,265,039
Prepaid expenses and other receivables		**(664,204)**	(1,931,511)
Trade Receivables		**175,595**	(445,717)
Trade payables		**(6,510,042)**	7,326,788
Due from related party		**1,825**	56,765
Accrued expenses and other payables		**(7,152,278)**	7,259,351
Cash (used in) operating activities		**(24,996,344)**	(8,429,842)
Employees' defined benefit obligations paid		**(973,827)**	(1,284,781)
Zakat paid during the period		**(3,701,350)**	(949,331)
Net cash (used in) operating activities		**(29,671,521)**	(10,663,954)
INVESTING ACTIVITIES			
Proceeds from sale of investments in associate companies through equity method		**35,000,000**	-
Proceeds from reduction of shareholders' financing to an associate company	6	**1,270,294**	-
Paid to purchase property, plant and equipment	5	**-**	(758,168)
Proceeds from disposal of property, plant and equipment		**-**	35,628
Net cash generated from / (used in) investing activities		**36,270,294**	(722,540)
FINANCING ACTIVITIES			
Proceeds from Long-term Loans		**-**	15,000,000
Repayment of Long-term Loans		**-**	(749,875)
Payments of Lease Liabilities		**(9,906)**	(7,738)
Dividends paid		**(7,205)**	(25,775)
Net cash (used in) / generated from financing activities		**(17,111)**	14,216,612
Net change in cash and cash equivalents		**6,581,662**	2,830,118
Cash and cash equivalents at the beginning of the period		**1,344,181**	1,143,798
Cash and cash equivalents at the end of the period		**7,925,843**	3,973,916
Supplemental Information on Non-Cash Transactions	14		

Chief Financial Officer	**Chief Executive Officer**	**Chairman**
Ali Abdulmajeed Hijab	Khalid Saleh Al-Amoudi	Nasser Dhaifallah Al-Rahili

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. THE COMPANY AND MAIN ACTIVITIES

Tabuk Agricultural Development Company "TADCO" (the "Parent Company") is a Saudi joint stock company registered under Commercial Registration No. 3550005403 issued in Tabuk on 15 Shaaban 1404H corresponding to 16 May 1984. The Company operates pursuant to Royal Decree No. (M/11) dated 22 March 1983.

The main activity of the group consists of mixed farming (mixed crop and livestock production without specialized crop and livestock production), support activities for animal production, manufacture of concentrated animal feeds, and the management and leasing of owned or leased real estate (residential), management and leasing of owned or leased real estate (non-residential).

The Company's financial year begins from the beginning of January of each Gregorian year and ends at the end of December of the same year.

The main center of the Company is located in Tabuk Region, P.O. Box 808, Tabuk 71421. The Board of Directors may establish branches, offices, or agencies for it inside and outside the Kingdom of Saudi Arabia.

As at 30 June 2026, the Parent Company owns three subsidiaries (the subsidiaries and the Parent Company are collectively referred to as the "Group"). The interim condensed consolidated financial information (unaudited) includes the accounts of the Parent Company and the following subsidiaries:

Name	Country of Incorporation	Main activity	Effective Ownership Percentage (Direct / Indirect) 30 June 2026	31 December 2025
Masader Agricultural Feed Company Limited Liability Company (A)	Kingdom of Saudi Arabia	Support Activities for Animal Production - Manufacture of Concentrated Animal Feed - Production of Salt Stones for Animal Food - General Construction of Residential and Non-residential Buildings - On-site Construction of Prefabricated Buildings - Wholesale of Feed and Non-medicinal Feed Additives	**60%**	60%
Tabuk Agricultural Marketing Company One-Person Closed Joint Stock Company (B)	Kingdom of Saudi Arabia	Cultivation of Pome and Stone Fruits, includes Apples, Apricots, Cherries, Peaches, Pears, Plums.	**100%**	100%
Tabuk Nurseries and Landscaping Company One-Person Closed Joint Stock Company (B)	Kingdom of Saudi Arabia	Care and Maintenance of Parks and Gardens for Public Housing Purposes.	**100%**	100%

(A) On 10 December 2025, the Extraordinary General Assembly approved the cancellation of the resolution of the Ordinary General Assembly held on 25 September 2024, regarding the approval of the Board of Directors' recommendation to divest from the Company by selling all owned shares, and the Board of Directors was authorized to take what it deems appropriate in the interest of the Company.

(B) On 16 March 2026, the Board of Directors of Tabuk Nurseries and Landscaping Company and the Board of Directors of Tabuk Agricultural Marketing Company decided to stop the liquidation procedures for both companies so that the status of both companies can be studied and the possibility of benefiting from them and activating them in a way that serves the interests of the Parent Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia and must be read in conjunction with the Group's latest annual consolidated financial statements for the year ended 31 December 2025. These interim condensed consolidated financial information do not usually include all the information required to prepare a complete set of consolidated financial statements, but specific accounting policies and explanatory notes have been included to explain significant events and transactions to understand the changes in the consolidated financial position and consolidated financial performance of the Group since 31 December 2025.

2.2 Basis of Measurement

The interim condensed consolidated financial information has been prepared according to the historical cost principle, except for employee defined benefit obligations (end-of-service benefit provision) measured at the present value of future obligations using the projected unit credit method, and financial investments measured at fair value through other comprehensive income, and liabilities measured at the present value of future payments, and by using the accrual basis of accounting and the going concern principle in accounting.

2. BASIS OF PREPARATION (CONTINUED)

2.3 Functional and Presentation Currency

This interim condensed consolidated financial information has been presented in Saudi Riyal, which represents the functional, presentation and disclosure currency of the Group.

2.4 Basis of consolidation

The interim condensed consolidated financial information includes the financial information of Tabuk Agricultural Development Company ("the Parent Company") and its subsidiaries ("the Group") as stated in note (1).

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed to risks, or has rights, to variable returns from its involvement with the investee company and has the ability to affect those returns through its control over the investee company. Specifically, the Group controls the investee company only when the Group has:

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

And when the Group retains less than a majority of the voting rights or similar rights of the investee company, the Group considers all relevant information and circumstances when assessing the extent of its control over the investee company including:

- The contractual arrangement existing with the other vote holders in the investee company
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses the extent of its control over the investee company in the event that information and circumstances indicate that there are changes to one or more of the elements of control. Consolidation of the subsidiary begins when the Group obtains control over the subsidiary and consolidation ceases when the Group loses its control over the subsidiary. The assets, liabilities, revenues and expenses relating to the subsidiary that was acquired or sold during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

Profit or loss and each item of consolidated other comprehensive income relate to the shareholders of the Parent Company of the Group and non-controlling interests even if this results in a deficit balance in non-controlling interests. Adjustments are made when necessary to the financial statements of subsidiaries so that the accounting policies applied therein align with the accounting policies of the Group. All assets and liabilities between the Group's companies, equity, revenues, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

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

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non-controlling interests.
- Derecognizes the cumulative foreign currency translation differences recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes any surplus or deficit in the consolidated statement of profit or loss.
- Reclassifies the Parent Company's share of items previously recorded in comprehensive income to the consolidated statement of profit or loss or retained earnings, as appropriate, and as necessary if the Group had directly sold the related assets or liabilities.

2.5 Going concern

The Company's accumulated losses as at 30 June 2026 amounted to SAR 324 million (31 December 2025: SAR 303 million), which represents 83% (31 December 2025: 77%) of the share capital, and as at that date the Company's current liabilities exceeded its current assets, which led to a working capital deficit amounting to SAR 180 million (as at 31 December 2025: SAR 190 million), and the Group's revenues for the six-month period ended 30 June 2026 decreased by approximately 95% from SAR 28.2 million in the comparative period to SAR 1.5 million in the current period, and the Group continued to incur a substantial net loss amounting to approximately SAR 22.1 million. Also, the value of negative cash flows from operating activities for the period ended 30 June 2026 amounted to SAR 29.6 million (for the period ended 30 June 2025: SAR 11.2 million). The Company intends to implement business plans to generate sufficient cash flows to enable it to meet its obligations as they fall due and continue its operations, as well as restructure its capital by reducing it to cover part of the Company's accumulated losses.

2. BASIS OF PREPARATION (CONTINUED)

2.5 Going concern (Continued)

The following are the key factors taken by management to reduce accumulated losses and address the working capital deficit:

The Company incurred losses during the period from 2018 to 2025, during which the Company's business was affected by several operational challenges that coincided with the Corona pandemic, resulting in a shortage of liquidity and operational cash flows that affected the Company's performance, represented by the cessation of planting fodder crops (alfalfa, barley and corn) which represented an important part of the agricultural cycle, leading to a decline in soil fertility and high fertilizer costs, in addition to scarcity of cash flows and shortage of basic operational resources including water, diesel and fertilizers, and low production levels as a result of the decline in tree productivity, as well as recording an impairment in the value of biological assets and machinery.

The Company is currently working to address these challenges by implementing a number of operational and agricultural measures on the ground, with the aim of improving soil quality and increasing productivity. These measures include focusing on soil nutrition and fertilization programs, increasing productivity per hectare, expanding the agricultural area, in addition to applying more efficient agricultural practices, such as improving irrigation scheduling, especially for crops that require extra care such as fruit trees, by cleaning the soil from weeds, applying scientific fertilization programs, and adopting regular and sustainable irrigation systems.

In response to these challenges, the Company prepared a strategic business plan extending to 2030, supported by an agricultural plan for 2026, based on activating an integrated operational recovery plan that includes the rehabilitation of agricultural assets during 2026, with temporary reliance on commercial activities to enhance and support revenue levels and develop asset utilization, in preparation for the gradual resumption of agricultural activities at full capacity starting from 2027, to achieve economies of scale with increased production levels in the future. The agricultural plan included targeting the cultivation of onions, wheat, fodder corn, potatoes, and winter fodder crops.

This comes in parallel with diversifying income sources through commercial activities and olive oil, with the aim of gradually restoring operational profitability, and building positive cash flows by restructuring some investments.

The Company intends to lease the areas planted with fruits, palms and olives; with the aim of getting rid of their care and maintenance costs, maximizing the return achieved from them, and stopping the bleeding of losses associated with these areas of perennial trees. In this context, on 1 January 2026, the Company concluded an investment contract for vineyards with an area of 196 hectares, for a period of 10 years renewable by agreement of the two parties, with a total rental value amounting to SAR 23.35 million. The contract also includes the investment of vineyards in two phases, starting with 123 hectares until 2029, and expanding to 196 hectares until the end of the contract.

Furthermore, the plan's targets include raising operational efficiency and reducing fixed costs, by rationalizing general and administrative expenses and selling and distribution expenses to reach a reduction rate of approximately 45% by the end of 2026 (which included reducing annual salaries and wages), and shifting to lower-cost energy sources, in parallel with continuing to study opportunities for partnerships and cooperation with specialized investment and operational entities to maximize the utilization of the Company's capabilities.

Management believes that these measures are sufficient to enable the Company to meet its obligations as they fall due and continue its business. However, these assumptions depend on future estimates that are inherently uncertain, which may affect the Company's ability to continue as a going concern.

By virtue of the Board of Directors meeting on 31 March 2026, approval was granted to reduce the Company's capital for the purpose of extinguishing accumulated losses, provided that the capital is reduced by the value of SAR 303,282,530 to become the capital after reduction with a value of SAR 88,484,470, by canceling 30,327,853 shares of the Company's shares with a reduction percentage amounting to 77.41%. The capital reduction is conditional on the necessity of approval by the official authorities and the Extraordinary General Assembly for the capital reduction.

On 01 April 2026, the Company announced through the Saudi Stock Exchange (Saudi Tadawul) website its Board of Directors' recommendation to reduce the Company's capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals to eighty-eight million, four hundred and eighty-four thousand, four hundred and seventy (88,484,470) Saudi Riyals by canceling thirty million, three hundred and twenty-eight thousand, two hundred and fifty-three (30,328,253) shares of the issued shares of the Company, in order to restructure the Company's capital to extinguish accumulated losses.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION (CONTINUED)

2.5 Going concern (Continued)

The Company also announced on 12 May 2026 the amendment of this recommendation so that the reduction of the Company's capital from three hundred and ninety-one million, seven hundred and sixty-seven thousand (391,767,000) Saudi Riyals divided into thirty-nine million, one hundred and seventy-six thousand, seven hundred (39,176,700) ordinary shares with a nominal value of ten (10) Saudi Riyals per share to seventy-six million, five hundred and twenty-four thousand, six hundred (76,524,600) Saudi Riyals divided into seven million, six hundred and fifty-two thousand, four hundred and sixty (7,652,460) ordinary shares with a nominal value of ten (10) Saudi Riyals per share by canceling thirty-one million, five hundred and twenty-four thousand, two hundred and forty (31,524,240) shares of the issued shares of the Company, in order to restructure the Company's capital to extinguish accumulated losses.

On 23 July 2026, the Capital Market Authority approved the Company's request and the Company is in the process of calling for an Extraordinary General Assembly to approve the capital reduction.

Accordingly, the Group's management prepared the interim condensed consolidated financial information on the basis of the going concern principle in accounting.

3. USE OF JUDGMENT AND ESTIMATES

The preparation of the interim condensed consolidated financial information for the Group requires the use of certain estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that may require material adjustments to the carrying amounts of the affected assets or liabilities in future periods.

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

The significant judgments used by management in applying the Group's accounting policies and the calculation methods and key sources of estimation are the same policies applied in the consolidated financial statements for the year ended 31 December 2025.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO STANDARDS

A) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards and interpretations issued by the International Accounting Standards Board (IASB), which are effective in future accounting periods and the Group has decided not to early adopt them.

International Financial Reporting Standards	Summary	Effective Date
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Disclosures - Subsidiaries without Public Accountability	1 January 2027
IFRS 10 and IAS 28	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture.	The effective date of this amendment has been postponed indefinitely.

IFRS 18 "Presentation and Disclosure in Financial Statements" will replace IAS 1 "Presentation of Financial Statements" and will apply to annual financial periods beginning on or after 1 January 2027.

The Group has not early adopted IFRS 18 in preparing these interim condensed consolidated financial information, although early adoption is available.

The Group is currently conducting an assessment to determine the expected impact of the initial application of IFRS 18 on its financial statements. This assessment is preliminary and will be updated as the Group completes its analysis prior to the mandatory effective date. Based on the assessment completed to date, the Group has identified the following areas of expected changes.

1) Structure of the statement of profit or loss

IFRS 18 requires entities to classify revenues and expenses into categories within the statement of profit or loss: operating, investing, financing, zakat, and discontinued operations. The classification of revenues and expenses depends on the main activities of the entity. The Group has determined that it does not have a specific main activity represented in investing in assets or providing financing to customers. The licensed main activity of the Group is concentrated in mixed farming, support activities for animal production, manufacture of concentrated animal feed and management and leasing of owned or leased real estate (residential and non-residential). Instead of investing in assets or providing financing to customers as a specific main activity.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO STANDARDS (CONTINUED)

A) New standards, interpretations and amendments not yet effective (Continued)

1) Structure of the statement of profit or loss (Continued)
The Group's net loss or net assets will not change as a result of applying IFRS 18. However, the Group will be required to present two new subtotals which are: "Operating profit" and "Profit or loss before financing and tax". The new operating profit subtotal will differ from the operating profit currently presented by the Group.
Based on currently available information, the Group expects the following changes to appear on the current structure of the statement of profit or loss:

- Interest revenues and expenses: currently included within finance income and finance costs according to the Group's current accounting policy, and presented within the "Finance cost" subtotal. IFRS 18 provides specific guidance on revenues and expenses classified within the investing category and the financing category; and the Group will evaluate its yield-bearing bank deposits, borrowing arrangements and various lease liabilities based on this guidance to determine the appropriate category for each.
- Finance cost related to end-of-service benefit obligations: currently presented within finance costs according to the Group's current accounting policy.
- The Group's share in the profit or loss of associates: (which is SAR 1,959,248) will be classified within the investing category when realized.

Zakat expense: currently presented as an aggregated item under the name "Zakat", and will continue to be presented within a distinct category for Zakat under IFRS 18, in line with the Group's current presentation. However, the Group will review the components of this item (Zakat) to ensure that they are independently identifiable and appropriately disclosed.

2) Management-defined performance measures
Management-defined performance measures represent subtotals of revenues and expenses adopted in public communication outside the financial statements, which reflect management's view of an aspect of the financial performance of the entity as a whole. The Group is required to disclose specific information related to management-defined performance measures within a single separate note in the financial statements.

The Group is currently working on determining the means of public communication that should be considered when identifying management-defined performance measures. These measures relate to the same financial period covered by the financial statements. Accordingly, the management-defined performance measures that the Group will disclose following the application of IFRS 18 will be determined based on public communications issued by the Group relating to the first interim financial period applying IFRS 18 in the year 2027.

3) Principles of aggregation and disaggregation
IFRS 18 provides principles on how to aggregate information that shares similar characteristics in the financial statements (i.e. the primary financial statements and their accompanying notes), as well as guidance on items that should be presented in the primary statements or disclosed in the notes.

The Group is currently conducting an assessment of the statement of profit or loss items based on their similar and different characteristics. Accordingly, additional material information is expected to be disclosed within the accompanying notes to the financial statements. Management is also evaluating the items currently presented under headings such as "Other" and "Net", including "Other operating revenues" and "Finance costs", with the aim of using a more specific and meaningful descriptor that suits the nature of each item.

4) Consequential amendments
IFRS 18 is accompanied by consequential amendments introduced to IAS 7 "Statement of Cash Flows", which require entities to use the new subtotal "Operating profit" as a starting point when presenting cash flows from operating activities using the indirect method. The Group currently uses "Profit before Zakat" for the period/year as a starting point for reconciliation with cash flows from operating activities. As a result of using this new starting point, some of the reconciliation items currently presented will change.

The consequential amendments under IFRS 18 also introduce specific requirements for the classification of cash flows of interest and dividends in the statement of cash flows. The Group currently classifies interest paid within operating activities, and following the adoption of IFRS 18, interest paid will be classified within financing activities. Interest revenue and dividends received -if any- will be classified within investing activities in accordance with the amended guidance.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO STANDARDS (CONTINUED)

B) New standards, interpretations and amendments effective in the current period

The following are the new standards, interpretations and amendments to standards that are effective in the current period, but did not have any impact on this interim condensed consolidated financial information.

International Financial Reporting Standards	Summary	Effective Date
IFRS 9 and IFRS 7	Amendments regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRSs	Annual amendments or improvements to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7	1 January 2026

5. PROPERTY, PLANT AND EQUIPMENT

The net value of property, plant and equipment as at 30 June 2026 amounted to SAR 157,663,460 (31 December 2025: SAR 165,879,551), and the movement during the six-month period ended 30 June 2026 represents additions amounting to SAR nil and depreciation amounting to SAR 8,216,091 (30 June 2025: additions amounting to SAR 758,168, depreciation amounting to SAR 7,661,549). During the year ended 31 December 2025, the Group's management recognized an impairment provision amounting to SAR 14.68 million based on a study conducted by an independent external expert.

And as at 30 June 2026, the cost of assets transferred to investment properties amounted to SAR 328 thousand (31 December 2025: SAR nil) and is fully depreciated in the books.

Property, plant and equipment include assets belonging to Masader Agricultural Feed Company (a subsidiary), which had a net carrying amount as at 30 June 2026 of SAR 11.8 million, and are mortgaged in favor of the Saudi Industrial Development Fund as a guarantee for the loan granted to the subsidiary (Note 10-3). Up to the date of the financial report, the transfer of ownership of those assets to Masader Agricultural Feed Company has not been completed.

6. INVESTMENTS IN ASSOCIATE COMPANIES THROUGH EQUITY METHOD

The Group has investments in the following companies using the equity method:

	Country of incorporation	Shareholding (%)		30 June 2026	31 December 2025
		2026	2025	(Unaudited)	(Audited)
Horizon Food Company	Kingdom of Saudi Arabia	**27.50%**	40%	**86,661,698**	123,890,440
East Asia Agricultural Development and Investment Company	Kingdom of Saudi Arabia	**28.57%**	28.57%	**3,027,031**	3,932,081
Rakhaa for Agricultural Investment and Development Company	Arab Republic of Egypt	**21.61%**	21.61%	**10,192,887**	10,657,868
Gulf Sustainable Energy Technology Company	Kingdom of Saudi Arabia	**50%**	50%	**-**	-
				99,881,616	138,480,389

6-1 The following is the movement on investments in associates using the equity method:

30 June 2026	Horizon Food Company*	East Asia Agricultural Development and Investment Company	Rakhaa for Agricultural Investment and Development Company**	Total
As at 1 January 2026	**123,890,440**	**3,932,081**	**10,657,868**	**138,480,389**
Group's share of profit or loss	**1,703,461**	**(905,050)**	**1,160,837**	**1,959,248**
Group's share of foreign currency translation differences	**-**	**-**	**(355,524)**	**(355,524)**
Proceeds from reduction of shareholders' financing	**-**	**-**	**(1,270,294)**	**(1,270,294)**
Proceeds from sale of shares	**(35,000,000)**	**-**	**-**	**(35,000,000)**
Total proceeds	**(35,000,000)**	**-**	**(1,270,294)**	**(36,270,294)**
Losses from sale of shares	**(3,932,203)**	**-**	**-**	**(3,932,203)**
As at 30 June 2026	**86,661,698**	**3,027,031**	**10,192,887**	**99,881,616**

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

6. INVESTMENTS IN ASSOCIATE COMPANIES THROUGH EQUITY METHOD (CONTINUED)

6-1 The following is the movement on investments in associates using the equity method: (continued)

31 December 2025	Horizon Food Company	East Asia Agricultural Development and Investment Company	Rakhaa for Agricultural Investment and Development Company	Total
As at 1 January 2025	121,600,000	1,505,608	8,279,705	131,385,313
Group's share of profit or loss	2,417,433	9,768,988	2,181,041	14,367,462
Group's share of foreign currency translation differences	-	-	197,253	197,253
Group's share of other comprehensive income items	(126,993)	-	(131)	(127,124)
Capital reduction	-	(7,342,515)	-	(7,342,515)
As at 31 December 2025	123,890,440	3,932,081	10,657,868	138,480,389

* During the period, the Company sold 1,000,000 shares of its investment in Horizon Food Company. Also, there is a pledge on 800 thousand shares of Horizon Food Company owned by the Group as a guarantee for the loan granted to the Group.

** Pursuant to the Board of Directors' meeting held on 17 November 2025, it was unanimously approved to transfer an amount of 5 million Riyals, deducted from the shareholders' financing item, to the Company's shareholders according to each shareholder's share in the Company's capital, and the Group's share amounting to 1,270,294 Riyals was collected during the first quarter of the year.

7. INVENTORY

	30 June 2026 (Unaudited)	31 December **2025** (Audited)
Other spare parts and consumables	**10,168,697**	10,051,710
Fruits	**4,488,398**	6,809,402
Fertilizers and chemicals	**1,041,231**	979,439
Seeds	**272,076**	1,822,664
Wheat	**10,068**	87,363
	15,980,470	19,750,578
Less: Provision for slow-moving and obsolete inventory	**(8,277,375)**	(9,715,378)
	7,703,095	10,035,200

7-1 Below is the movement on the provision for slow-moving and obsolete inventory

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**9,715,378**	15,495,548
Charge for the period / year	**1,872,859**	3,590,353
Reversal of provision during the period / year	**-**	(468,054)
Used during the period / year	**(3,310,862)**	(8,902,469)
Balance at the end of the period/year	**8,277,375**	9,715,378

8. BIOLOGICAL ASSETS

Biological assets are the costs of seasonal crops at the end of the period / year but not harvested.

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**-**	23,826,006
Additions during the period / year	**2,071,195**	55,272,827
Transfers to inventory during the period / year	**-**	(59,002,541)
Impairment during the period / year	**-**	(20,096,292)
Balance at the end of the period / year	**2,071,195**	-

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8. BIOLOGICAL ASSETS (CONTINUED)

Crops were measured at cost less any impairment losses based on the inputs used. This is due to the inability to measure them at fair value. Management assessed the applicability of the discounted cash flow (DCF) method or any other valuation technique to measure biological assets at fair value less costs to sell, and concluded that fair value could not be reliably measured on initial recognition for the following reasons:

(a) The lack of sufficient historical data regarding production volumes and actual yields for the varieties planted in the Group's geographical area;
(b) The absence of executed sales contracts or observable market transactions for similar unharvested crops that could be relied upon in estimating future cash flows;
(c) The difficulty of determining an appropriate discount rate in the absence of comparable benchmark market indicators for short-cycle agricultural assets.

Accordingly, biological assets were measured at cost less any impairment losses in accordance with Paragraph 30 of International Accounting Standard (IAS) 41. Management reassesses this conclusion at each reporting date.

All biological assets have been classified as current assets, given that the harvesting process takes place within a single operating cycle of one year, and they are harvested for sale through the Group's operating activities. During the year 2025, an impairment loss on biological assets was recognized in the amount of SAR 20,096,292. This resulted from the lack of expected future economic benefits due to the absence of a specific agricultural program, prolonged drought periods, outbreaks of fungal diseases, and severe pest infestations.

9. TRANSACTIONS WITH RELATED PARTIES

Related parties represent major shareholders, board of directors members, key management personnel of the Group, and entities managed or significantly influenced by these parties. The following is a statement of related parties to the Group:

The most significant transactions are as follows:

			Volume of transactions during the period/year			
Related party	**Nature of relationship**	**Nature of transactions**	**30 June 2026 (Unaudited)**		31 December 2025 (Audited)	
			Debit	**Credit**	Debit	Credit
East Asia Agricultural Development and Investment Company	Associate company	Advance payment for the sale and marketing of agricultural crops.	-	-	-	5,060,000
		Reduction of the Company's Capital.	-	-	7,342,515	-
		Collection.	-	-	-	2,282,515
Ahmed Hussein Al-Amri Establishment	Other related party	Payments on behalf.	**1,825**	-	-	113,727

9-1 Due from a related party	**30 June 2026 (Unaudited)**	**31 December 2025** (Audited)
East Asia Agricultural Development and Investment Company	**5,060,000**	5,060,000
Ahmed Hussein Al-Amri Establishment	**4,664,399**	4,666,224
	9,724,399	9,726,224

9-2 Due to Related party	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
East Asia Agricultural Development and Investment Company	**5,060,000**	5,060,000
Ahmed Hussein Al-Amri	**12,512,654**	12,512,654
	17,572,654	17,572,654

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

9. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

9-3 Remunerations of Board of Directors and Executive Management is as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	2025	**2026**	2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Salaries and allowances of senior management	**642,040**	1,046,724	**1,626,609**	2,093,447
Remunerations and allowances of Board of Directors members	**231,412**	544,266	**300,119**	1,518,692
	873,452	1,590,990	**1,926,728**	3,612,139

10. LOANS

Loans consist of the following:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Agricultural Development Fund loan (10-1)	**68,022,517**	66,770,385
Saudi Fund for Development loan (10-2)	**16,475,420**	16,475,420
Saudi Industrial Development Fund loan (Note 10-3)	**5,500,000**	5,500,000
	89,997,937	88,745,805
Non-current portion	**-**	14,553,385
Current portion	**89,997,937**	74,192,420
	89,997,937	88,745,805

10-1 The Group obtained a loan from the Agricultural Development Fund on 7 November 2023 in the amount of 50,500,000 Saudi Riyals, which was fully drawn down to finance the Company's operating activity. The loan was granted against a guarantee of the land deed No. 550107011639 included within the property, plant and equipment item, to be repaid in a single payment on 7 November 2025.

The Group also obtained a loan from the Agricultural Development Fund on 22 May 2025 in the amount of 15,000,000 Saudi Riyals, which was fully drawn down to finance the Company's operating activity. The loan was granted against a guarantee of the land deed No. 160002826436 included within the property, plant and equipment item, and 800 thousand shares from the share portfolio account owned by the Group from the shares of Horizon Food Company (an associate company) were also pledged, to be repaid in a single payment on 22 May 2027.

The Group submitted a request to the Agricultural Development Fund to reschedule the outstanding unpaid amounts of 52,217,000 Riyals. Up to the date of 30 June 2026, official approval has not yet been received.

10-2 On 30 December 2024, and in accordance with the debt assignment contract, the Saudi Fund for Development approved the request of the shareholders in Rakhaa for Agricultural Investment and Development Company to transfer the indebtedness to the partners instead of the company, and therefore the balance pertaining to Tabuk Agricultural Development Company's share was transferred from the provision for loan guarantee in an associate company to loans.

10-3 Masader Agricultural Feed Company (a subsidiary) obtained a loan from the Saudi Industrial Development Fund during the year 2013 amounting to 15.3 million Saudi Riyals to finance the construction of the animal feed production plant project with an annual installed production capacity of 81,600 tons. The loan is secured by a mortgage on the property and equipment of the project (Note 5).

11. BASIC LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributable to the shareholders of the parent Company by the weighted average number of outstanding shares during the period.
There were no items affecting the dilution of earnings per share, therefore the basic loss per share matches the diluted loss per share.

11. BASIC LOSS PER SHARE (CONTINUED)

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	2026	2025	**2026**	2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Loss of the shareholders of the Parent Company	**(8,958,038)**	(17,974,354)	**(20,964,024)**	(25,076,551)
Loss of the shareholders of the Parent Company from continuing operations	**(8,958,038)**	(17,974,354)	**(20,964,024)**	(25,226,532)
Profit of the shareholders of the Parent Company from discontinued operations	**-**	-	**-**	149,981
Weighted average number of ordinary shares	**39,176,700**	39,176,700	**39,176,700**	39,176,700
Basic loss per share for the shareholders of the Parent Company	**(0.23)**	(0.46)	**(0.54)**	(0.64)
Basic loss per share for the shareholders of the Parent Company from continuing operations	**(0.23)**	(0.46)	**(0.54)**	(0.64)
Basic profit per share for the shareholders of the Parent Company from discontinued operations	**-**	-	**-**	0.004

12. FINANCIAL RISK MANAGEMENT

Market risk
The Group is exposed to market risk in the form of interest rate risk as shown below. During the review period, there were no changes in these conditions from the previous year.

Foreign currency risk management
Most of the Group's transactions are in Saudi Riyals and US Dollars, and the US Dollar is pegged to the Saudi Riyal at a fixed exchange rate. The main exposure of the Group to foreign currency risks is represented in the investment in an associate company dealing in Egyptian Pound, where financial statements translation differences are recognized within other comprehensive income items. The Group otherwise did not have any material monetary assets or liabilities in foreign currency at the date of the interim condensed consolidated financial information.

Agricultural risk management
The Group has a flexible and effective business continuity plan, subject to periodic review to ensure rapid response to crises, minimize losses, and maintain operations. The Group also continuously conducts risk assessments to monitor any events that may disrupt production.

To avoid the risks of torrents and floods, an early prevention method is adopted in farm design; where agricultural facilities and buildings are constructed in safe areas away from flood streams, and at appropriate heights from ground level.

Climate Change
The Group is exposed to risks related to climate change in the short and long term. These risks are an integral part of agricultural activity. The Group is continuously working to reduce the environmental impact of the business, partly due to the inherent risks.

The rise in fuel costs and greenhouse gas emissions associated with fuel and electricity consumption have an impact not only on the environment but also on the Group's net profits. Climate change leads to risks to agricultural production through drought, pests, diseases, etc., which pose challenges to sustaining and increasing production levels.

The Group is working on a sustainability strategy, outlining how it will improve its energy performance by efficiently consuming energy and generating it from sustainable sources. The strategy focuses on solar energy generation, rationalization of water and energy consumption, and sustainable agricultural practices. The Group's management has monitored water consumption by installing special meters on wells to monitor water consumption.

Liquidity risk
Liquidity risk is the difficulties faced by an entity in providing funds to meet obligations related to financial instruments. Liquidity risk can result from the inability to sell a financial asset quickly at an amount close to its fair value. The primary responsibility for managing liquidity risk rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term requirements and liquidity management requirements.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)
The Group manages liquidity risk by maintaining adequate balances by continuously monitoring expected and actual cash flows by matching the maturity dates of financial assets and liabilities. Liquidity risk is managed by continuously monitoring liquidity and ensuring that adequate financial resources exist. Concentration in liquidity risk may arise from the repayment terms of financial obligations, sources of financing and loans, or reliance on a specific market to obtain liquid assets. See also (Note 2-5) relating to going concern.

Credit risk management
Credit risk is the inability of a party to meet its obligations, leading to the other party incurring a financial loss. Concentration risk arises when there are multiple parties with similar activities, or operating in the same geographical areas, or having similar economic features that prevent them from fulfilling their contractual obligations. To mitigate credit risk, the Group has established procedures to manage exposure to credit risk, including assessing the creditworthiness of customers, credit approvals, allocating credit limits, and continuously monitoring the aging and follow-up of receivables.

Management also continuously monitors the credit risk associated with its customers and makes a provision for expected credit losses. Outstanding customer balances are continuously monitored, and their credit limits are adjusted as necessary. Trade and other receivables are mainly due from customers in the local market, and receivables are stated at their estimated recoverable value. The Group maintains cash at banks with local banks with high credit ratings.

The following is a statement of the maximum exposure to credit risk that could affect the Group at the date of the interim condensed consolidated financial information:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Cash at banks	**7,932,733**	1,150,688
Trade receivables	**16,399,876**	16,575,471
Investments at fair value through other comprehensive income	**222,400**	222,400
Due from related parties	**9,724,399**	9,726,224
	34,279,408	27,674,783

The aging of trade receivables as at the date of the financial position is as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Less than three months	**18,113**	281,950
More than three months and less than six months	**24,787**	542,558
More than six months and less than a year	**1,372,766**	1,439,033
More than a year	**14,984,210**	14,311,930
Total	**16,399,876**	16,575,471
(less):Provision for expected credit losses	**(15,169,517)**	(16,182,331)
Trade receivables	**1,230,359**	393,140

The following is the movement in the provision for expected credit losses:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	**16,182,331**	12,511,359
Charged during the period / year	**82,887**	3,670,972
Reversal of provision during the period / year	**(1,095,701)**	-
Balance at the end of the period / year	**15,169,517**	16,182,331

Fair value of financial instruments
For the purposes of financial reporting, the Group used the fair value hierarchy categorized in levels 1, 2, and 3 based on the degree of observance of the inputs in the fair value measurement and the importance of these inputs in measuring the fair value in its entirety, as shown below:

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value of financial instruments (continued)

- **Level 1 -** Traded prices in an active market for similar assets or liabilities that the company can evaluate at the measurement date (without modification).
- **Level 2 -** Inputs other than prices included in Level 1 that can be considered as a value for assets or liabilities, either directly (such as prices) or indirectly (such as derived from prices).
- **Level 3 -** Inputs for assets and liabilities that are not based on observable market information (unobservable inputs).

The Group has no financial instruments measured at fair value except for investments at fair value through other comprehensive income, and other financial instruments are recorded at amortized cost. As at the date of the interim condensed consolidated financial information, the fair value of these instruments approximates the amortized cost considered in the financial reports and related disclosures.

13. SEGMENT REPORTING

The information provided to the decision-maker responsible for operations with the aim of allocating resources and evaluating the performance of segments focuses on the types of goods or services provided. The Group's management decided to organize the Group according to differences in the internal financial reporting structure. The Group's operating segments are as follows:

Operational segment	**Activities**
Rents	Operating leases
Feeds	Manufacturing Feed
Vegetables	Planting Vegetables
Fruits	Planting Seasonal fruits
Grains	Grain trading
Other products	Production of olive oil, honey and other investments and products

30 June 2026 (Unaudited)	**Rentals**	**Feeds**	**Vegetables**	**Fruits**	**Grains**	**Other product**	**Total**
Statement of profit or loss and other comprehensive income items for the six-month period ended 30 June 2026 (Unaudited):							
Revenue*	**861,000**	**199,587**	**8,213**	**391,268**	**38,584**	**-**	**1,498,652**
Depreciation	**355,826**	**1,778,141**	**87,948**	**4,190,277**	**343,750**	**1,460,149**	**8,216,091**
Net (loss) for the period**	**558,716**	**(2,870,137)**	**(118,095)**	**(12,452,054)**	**(554,854)**	**(5,178,110)**	**(20,614,534)**
Statement of financial position items as at 30 June 2026 (Unaudited):							
Total Assets	**166,231**	**11,513,319**	**42,980,391**	**58,822,441**	**56,916,807**	**119,430,443**	**289,829,632**
Total liabilities	**128,158**	**6,065,257**	**14,160,188**	**32,086,345**	**96,537,438**	**74,632,167**	**223,609,553**

30 June 2025 (Unaudited)	Rentals	Feeds	Vegetables	Fruits	Grains	Other products	Total
Statement of profit or loss and other comprehensive income items for the six-month period ended 30 June 2025 (Unaudited):							
Revenue*	-	930,293	2,247,883	4,704,445	16,416,639	1,130,541	25,429,801
Depreciation	-	252,856	61,980	1,278,680	4,462,900	1,605,133	7,661,549
Net (loss) for the period**	-	(831,877)	(2,010,078)	(4,206,760)	(14,682,598)	(2,733,297)	(24,464,610)
Statement of financial position items as at 31 December 2025 (Audited):							
Total Assets	-	31,721,309	27,203,208	94,268,945	161,085,649	14,391,816	328,670,927
Total liabilities	-	23,303,654	19,984,490	69,253,477	118,339,516	10,572,763	241,453,900

* The Group's revenues from contracts with customers are represented by the sale of consumer products. Control of the products is transferred at a specific point in time and they are sold directly to customers.

** Finance cost and Zakat expense were not analyzed at the segment level, because they are related to the central treasury function, which manages the cash position at the Group level.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

14. NON-CASH TRANSACTIONS

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Transferred from projects under progress to property, plant and equipment	**-**	902,322

15. COMPARATIVE FIGURES

15-1 Prior year adjustments

During the two periods ended 30 June 2026, management adjusted certain balances included in the consolidated financial statements for the year ended 31 December 2025 pertaining to Masader Agricultural Feed Company (a subsidiary), as on 10 December 2025, the Extraordinary General Assembly decided to approve the cancellation of the Ordinary General Assembly resolution previously held on 25 September 2024 relating to the approval of the Board of Directors' recommendation to exit the investment in Masader Agricultural Feed Company by selling all shares, and since the balances of Masader Agricultural Feed Company (a subsidiary) were not correctly accounted for as at 31 December 2025, accordingly, the adjustment was made in accordance with the requirements of International Accounting Standard (8) "Accounting Policies, Changes in Accounting Estimates and Errors", and there is no impact on the balances as at 31 December 2024.

A) The impact of the adjustments on the consolidated statement of financial position as at 31 December 2025 is as follows:

	Balance as previously reported	**Adjustment**	**Balance after adjustment**
Property, plant and equipment	152,622,378	13,257,173	**165,879,551**
Right-of-use assets	-	81,786	**81,786**
Inventory, net	10,034,200	1,000	**10,035,200**
Due from a related party	5,060,000	4,666,224	**9,726,224**
Prepaid expenses and other receivables, net	2,492,331	15,725	**2,508,056**
Total assets from discontinued operations	18,021,908	(18,021,908)	**-**
Lease liabilities – non-current portion	**-**	59,055	**59,055**
Employee defined benefit obligations	12,629,620	267,454	**12,897,074**
Long-term loans - current portion	68,692,420	5,500,000	**74,192,420**
Lease liabilities - current portion	**-**	14,463	**14,463**
Trade payables	40,645,145	160,049	**40,805,194**
Due to a related party	5,060,000	12,512,654	**17,572,654**
Accrued expenses and other payables	49,789,868	2,942,094	**52,731,962**
Zakat provision	3,758,489	118,619	**3,877,108**
Total liabilities from discontinued operations	21,574,388	(21,574,388)	**-**

15-2 Reclassification of comparative figures

Comparative figures were reclassified in accordance with the requirements of International Financial Reporting Standard (5) "Non-current Assets Held for Sale and Discontinued Operations", relating to the reversal of the plan to sell Masader Agricultural Feed Company (a subsidiary).

A) The impact of the reclassification on the interim condensed consolidated statement of profit or loss and other comprehensive income (Unaudited) for the three-month and six-month periods ended 30 June 2025 is as follows:

	Three-month period ended 30 June			**Six-month period ended 30 June**		
	Balance as previously reported	Adjustment	**Balance after adjustment**	Balance as previously reported	Adjustment	**Balance after adjustment**
Gain/Losses of the period from discontinued operations	(23,762)	23,762	**-**	103,851	46,130	**149,981**
General and administrative expenses	(6,317,571)	(23,762)	**(6,341,333)**	(11,760,116)	(46,130)	**(11,806,246)**

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

15. COMPARATIVE FIGURES (CONTINUED)

15-2 Reclassification of comparative figures (continued)

B) The impact of the reclassification on the interim condensed consolidated statement of cash flows (Unaudited) for the six-month period ended 30 June 2025 is as follows:

	Balance as previously reported	Adjustment	Balance after adjustment
Loss of the period from continuing operations before zakat	(25,198,854)	(46,130)	**(25,244,984)**
Profit of the period from discontinued operations before zakat	103,851	46,130	**149,981**
Finance costs	-	630,393	**630,393**
Due from related parties	-	56,765	**56,765**
Accrued expenses and other payables	7,338,898	(79,547)	**7,259,351**
Paid from long-term loans	(150,000)	(599,875)	**(749,875)**
Paid from lease liabilities	-	(7,738)	**(7,738)**

16. SIGNIFICANT EVENTS DURING THE PERIOD

During the reporting period, geopolitical tensions in the Middle East have escalated. As at the date of approval of these interim condensed consolidated financial information, management is monitoring the situation closely. Changing geopolitical developments indicate increased risks related to supply chains, logistics, and energy, which may affect operations. However, as at the reporting date, management has not identified any disruptions in operations.

Due to the rapid changes in conditions, it is currently not possible to reliably estimate the potential financial impacts. Management will continue to monitor the situation closely and assess any potential impacts on the Group's operations, financial position, and financial performance.

17. SUBSEQUENT EVENTS

The following are the significant subsequent events subsequent to the financial period ended 30 June 2026 and up to the date of approval of these Interim condensed consolidated financial information:

1. Resignation of a Board Member

On 20 Muharram 1448H (corresponding to 5 July 2026), the Board Member Mr. Hatem Ali Taleb Bargash (Independent Member) submitted his resignation from the Board of Directors, and the Board approved the resignation by circulation on the same date, effective from the date of its submission. His membership had begun on 4 Jumada al-Akhirah 1447H (corresponding to 21 May 2026). The Company will complete the regulatory procedures to appoint a replacement member to complete the remaining term of the current Board session. This resignation did not have any financial impact on the Interim condensed consolidated financial information.

2. Capital Market Authority's Approval to Reduce the Company's Capital

On 9 Safar 1448H (corresponding to 23 July 2026), the Capital Market Authority's decision was issued approving the Company's request to reduce its capital from SAR 391,767,000 to SAR 76,524,600, thereby reducing the number of shares from 39,176,700 ordinary shares to 7,652,460 ordinary shares, by cancelling 31,524,240 ordinary shares, representing a reduction of 80.47%, with the aim of restructuring the Company's capital to extinguish accumulated losses.
The reduction date will be the end of the second trading day following the holding of the Extraordinary General Assembly in which the capital reduction is approved. The Company had announced the submission of the file to the Authority on 3 Muharram 1448H (corresponding to 18 June 2026).

The aforementioned capital reduction represents a reclassification between equity components (capital reduction against extinguishing accumulated losses), and it does not result in any change in total equity or in the Company's liabilities or cash flows. Since the completion of the reduction procedures is linked to the approval of the Extraordinary General Assembly after the period end date, this event was considered a subsequent event that does not require adjusting the balances presented in the Interim condensed consolidated financial information as at 30 June 2026, and a disclosure was deemed sufficient.

3. Call for the Extraordinary General Assembly Meeting

On 22 Safar 1448H (corresponding to 5 August 2026), the Company's Board of Directors invited its shareholders to attend the Extraordinary General Assembly meeting (the first meeting) which includes the reduction of the Company's capital, scheduled to be held on Monday 18 Rabi' I 1448H (corresponding to 31 August 2026).

17. SUBSEQUENT EVENTS (CONTINUED)

4. Sale of Part of the Company's Investment in Horizon Food Company
Based on the Company's Board of Directors' approval to sell part of its share in Horizon Food Company to enhance cash liquidity and support its operational and agricultural plans, the Company - on 30 Safar 1448H (corresponding to 13 August 2026) - sold 157,100 shares at a price of SAR (35) per share with a total value of SAR 5,498,500, in addition to selling 142,900 shares at a price of SAR (35) per share with a total value of SAR 5,001,500, through two separate transactions and before deducting the related expenses.

It is expected that these two transactions will result in recognizing a loss of SAR 1,115,400, resulting from the difference between the selling price and the carrying amount of the investment of SAR (38.718) per share according to the latest announced annual financial statements of the company by the end of 2025. The financial impact of the two transactions will be reflected in the Company's financial statements for the period ended 30 September 2026, hence this impact was not recognized in the Interim condensed consolidated financial information as at 30 June 2026. The Company will announce later any material developments in this regard in the event of executing significant additional sale transactions, in accordance with the relevant laws and regulations.

Except for what is mentioned above, no other material events have occurred subsequent to the end of the financial period that require adjustment or disclosure in the Interim condensed consolidated financial information.

18. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
The interim condensed consolidated financial information (unaudited) for the three-month and six-month periods ended 30 June 2026 was approved by the Board of Directors on 27 Safar1448H (corresponding to 10 August 2026).