

**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 2025

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 2025

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**INDEPENDENT AUDITOR'S REVIEW REPORT
ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF THE ARABIAN COMPANY FOR AGRICULTURAL AND
INDUSTRIAL INVESTMENT
(A SAUDI JOINT STOCK COMPANY)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Arabian Company for Agricultural and Industrial Investment (the "Company") as at 31 March 2025, and the related interim condensed statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

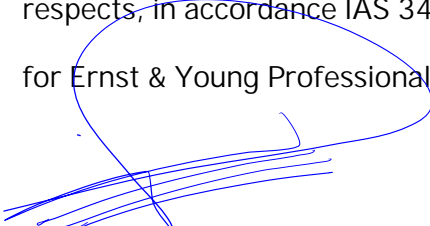
Scope of Review

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

Conclusion

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

for Ernst & Young Professional Services


Waleed G. Tawfiq
Certified Public Accountant
License No. (437)




Riyadh: 24 Thul Qi'dah 1446H
(22 May 2025)

Arabian Company for Agricultural and Industrial Investment
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
	Notes		
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	4	904,031,113	921,398,593
Right-of-use assets	5	103,606,121	107,404,407
TOTAL NON – CURRENT ASSETS		1,007,637,234	1,028,803,000
CURRENT ASSETS			
Inventories	6	176,218,032	154,590,537
Biological assets	7	69,611,382	54,670,000
Prepayments and other current assets	8	69,303,152	17,355,162
Government subsidies receivable	9	828,983	2,120,992
Amounts due from related parties	14	14,537,638	10,348,569
Accounts receivable	10	165,821,904	127,723,030
Cash and cash equivalents	11	41,286,109	33,480,255
TOTAL CURRENT ASSETS		537,607,200	400,288,545
TOTAL ASSETS		1,545,244,434	1,429,091,545
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
Share capital	12	300,000,000	300,000,000
Statutory reserve		7,504,503	7,504,503
Retained earnings		174,248,846	153,076,140
TOTAL EQUITY		481,753,349	460,580,643
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' defined benefit liabilities		29,216,299	29,084,939
Long-term loans, non-current	15	505,375,365	505,082,226
Lease liabilities, non-current	5	84,070,533	89,255,048
Accruals and other non-current liabilities		1,099,176	1,190,110
TOTAL NON-CURRENT LIABILITIES		619,761,373	624,612,323
CURRENT LIABILITIES			
Accounts payables		117,336,849	88,891,615
Accruals and other current liabilities	13	86,728,648	92,997,688
Amounts due to related parties	14	120,622,649	47,598,774
Short-term loans	15	78,581,715	75,040,899
Current portion of long-term loans	15	23,771,205	23,733,348
Current portion of lease liabilities	5	16,188,646	15,636,255
Zakat provision	22	500,000	-
TOTAL CURRENT LIABILITIES		443,729,712	343,898,579
TOTAL LIABILITIES		1,063,491,085	968,510,902
TOTAL EQUITY AND LIABILITIES		1,545,244,434	1,429,091,545


Albert Y. Hong
(Chief Financial Officer)


Raja M. Al Harbi
(Chief Executive Officer)


Ziyad A. Al-Sheikh
(Deputy Chairman)


The attached notes 1 to 29 form an integral part of these interim condensed financial statements.

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 2025

		For the three-month period ended	
		31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
	Notes		
Revenue	16	320,084,961	339,618,149
Cost of revenue	17	(259,315,361)	(264,466,826)
GROSS PROFIT		60,769,600	75,151,323
EXPENSES			
Selling and distribution	18	(28,464,631)	(22,899,102)
Provision for expected credit loss for accounts receivables and amounts due from related parties		(2,989,379)	(9,160,286)
General and administration	19	(16,340,690)	(13,671,789)
TOTAL EXPENSES		(47,794,700)	(45,731,177)
PROFIT FROM OPERATIONS		12,974,900	29,420,146
Finance costs	20	(10,370,842)	(5,376,915)
Loss on fair value remeasurement of biological assets		(364,123)	(5,517,267)
Other income	21	19,432,771	3,444,255
PROFIT BEFORE ZAKAT		21,672,706	21,970,219
Zakat	22	(500,000)	-
PROFIT FOR THE PERIOD		21,172,706	21,970,219
Earnings per share (EPS)			
Basic and diluted earnings per share for the period	23	0.71	0.73


Albert Y. Hong
(Chief Financial Officer)


Raja M. Al Harbi
(Chief Executive Officer)


Ziyad A. Al-Sheikh
(Deputy Chairman)


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Arabian Company for Agricultural and Industrial Investment
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the three-month period ended 31 March 2025

	<i>For the three-month period ended</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Notes	SR	SR
PROFIT FOR THE PERIOD	21,172,706	21,970,219
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>		
Remeasurement gains on employees' defined benefit liabilities	-	109,471
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-	109,471
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	21,172,706	22,079,690


Albert Y. Hong
(Chief Financial Officer)


Raja M. Al Harbi
(Chief Executive Officer)



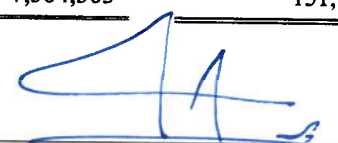

Ziyad A. Al-Sheikh
(Deputy Chairman)

The attached notes 1 to 29 form an integral part of these interim condensed financial statements.

Arabian Company for Agricultural and Industrial Investment
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2025

	<i>Share Capital</i>	<i>Proposed increase in share capital</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
As at 31 December 2024 (audited)	300,000,000	-	7,504,503	153,076,140	460,580,643
Profit for the period	-	-	-	21,172,706	21,172,706
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	21,172,706	21,172,706
As at 31 March 2025 (unaudited)	<u>300,000,000</u>	<u>-</u>	<u>7,504,503</u>	<u>174,248,846</u>	<u>481,753,349</u>
As at 31 December 2023 (audited)	50,000,000	250,000,000	7,504,503	129,075,828	436,580,331
Profit for the period	-	-	-	21,970,219	21,970,219
Other comprehensive income	-	-	-	109,471	109,471
Total comprehensive income for the period	-	-	-	22,079,690	22,079,690
Increase in share capital (note 12)	250,000,000	(250,000,000)	-	-	-
As at 31 March 2024 (unaudited)	<u>300,000,000</u>	<u>-</u>	<u>7,504,503</u>	<u>151,155,518</u>	<u>458,660,021</u>
					
	Albert Y. Hong (Chief Financial Officer)	Raja M. Al Harbi (Chief Executive Officer)	Ziyad A. Al-Sheikh (Deputy Chairman)		

The attached notes 1 to 29 form an integral part of these interim condensed financial statements.

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 2025

		For the three-month period ended	
		31 March 2025	31 March 2024
		(Unaudited)	(Unaudited)
	Notes	SR	SR
OPERATING ACTIVITIES			
Profit before zakat		21,672,706	21,970,219
Adjustments to reconcile profit before zakat to net cashflows:			
Depreciation of property, plant and equipment		13,137,566	12,222,346
Depreciation of right-of-use assets		4,466,643	2,098,678
Provision for employees' defined benefit liabilities		1,524,376	937,986
Provision for slow moving inventories		328,419	733,902
Expected credit losses on accounts receivable and amounts due from related parties		2,989,379	9,160,286
Finance costs	20	10,370,842	5,376,915
Loss on fair value remeasurement of biological assets		364,123	5,517,267
Gain on disposal of property, plant and equipment		(13,261,341)	-
		41,592,713	58,017,599
Changes in operating assets and liabilities:			
Inventories		(21,955,914)	1,164,004
Biological assets		(15,305,505)	(6,096,658)
Prepayments and other current assets		(51,947,990)	(9,048,830)
Government subsidies receivable		1,292,009	(49,823)
Accounts receivable		(41,088,253)	(21,525,647)
Accounts payable		28,445,234	7,350,637
Accruals and other current liabilities		(11,173,523)	24,939,835
Amounts due from / to related parties		68,575,790	19,880,421
Net cash (used in) from operations		(1,565,439)	74,631,538
Employees' defined benefit liabilities paid		(1,134,000)	(680,781)
Net cash flows (used in) from operating activities		(2,699,439)	73,950,757
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,860,146)	(27,228,567)
Proceeds from disposal of property, plant and equipment		19,351,401	-
Net cash flows from (used in) investing activities		17,491,255	(27,228,567)
FINANCING ACTIVITIES			
Proceeds from long-term loans from a related party		-	59,484,548
Proceeds from short-term loans		22,292,492	-
Repayment of short-term loans		(18,751,676)	-
Finance costs paid		(5,226,297)	(3,805,683)
Payment of principal portion of lease liabilities		(5,300,481)	(4,393,874)
Net cash flows (used in) from financing activities		(6,985,962)	51,284,991
NET INCREASE IN CASH AND CASH EQUIVALENTS		7,805,854	98,007,181
Cash and cash equivalents at the beginning of the period		33,480,255	23,088,184
Cash and cash equivalents at the end of the period		41,286,109	121,095,365
Significant non-cash transaction			
Employees' defined benefit liabilities transferred to the Company		259,016	1,345,041
Recognition of right-of-use assets and lease liabilities		668,337	-
Albert Y. Hong		Raja M. Al Harbi	
(Chief Financial Officer)		(Chief Executive Officer)	
		Ziyad A. Al-Sheikh	
		(Deputy Chairman)	
The attached notes 1 to 29 form an integral part of these interim condensed financial statements.			

Arabian Company for Agricultural and Industrial Investment (A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2025

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 “majority shareholder”).

On 11 Thul Qi’dah 1445H (corresponding to 19 May 2024), the General Assembly of Shareholders decided to go 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 allotment 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 shareholdings pre and post offering are as follows:

	<i>Pre-offering</i>			<i>Post-offering</i>		
	<i>Number of shares</i>	<i>Ownership %</i>	<i>Nominal value (SR)</i>	<i>Number of shares</i>	<i>Ownership %</i>	<i>Nominal value (SR)</i>
Founding shareholders	30,000,000	100%	300,000,000	21,000,000	70%	210,000,000
Public	-	-	-	9,000,000	30%	90,000,000
	<u>30,000,000</u>	<u>100%</u>	<u>300,000,000</u>	<u>30,000,000</u>	<u>100%</u>	<u>300,000,000</u>

The Company’s licensed activities include egg production, broiler chicken production, support activities for animal production, production of chilled and frozen meat, preservation, and preparation of meat and meat products in various ways, such as drying, canning, and the production of egg products and eggshells, in addition to the preparation and processing of egg products, wholesale of dairy products, egg products, frozen meat and poultry.

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:

<i>City</i>	<i>Date</i>	<i>Commercial Registration Number</i>
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 AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed financial statements of the Company for the three-month period ended 31 March 2025 have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

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 Company’s annual financial statements for the year ended 31 December 2024. These interim condensed financial statements for the three-month period ended 31 March 2025 are not affected significantly by seasonality of results. The results shown in these interim condensed financial statements may not be indicative of the annual results of the Company’s operations.

Arabian Company for Agricultural and Industrial Investment
(A Saudi Joint Stock Company)

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

For the three-month period ended 31 March 2025

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

These interim condensed financial statements are prepared under the historical cost convention, using the accrual basis of accounting except for employees' defined benefit liabilities which is recognised at the present value of future obligations using the projected unit credit method and biological assets, which are measured at fair value. These interim condensed financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency of the Company. All values are rounded to the nearest Saudi Riyal, except when otherwise indicated.

2.2 Material Accounting Policies Information and new standards, interpretations and amendments adopted

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Company.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Company's interim condensed financial statements.

2.3 Significant accounting estimates

The preparation of the interim condensed financial statements in conformity with IAS 34 as endorsed in KSA requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments used in the preparation of these interim condensed financial statements are consistent with those used in preparation of the Company's annual financial statements for the year ended 31 December 2024.

3 SEGMENT INFORMATION

The Company operates principally in a single business segment of Agriculture and Food business which includes manufacturing and distribution of fresh 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. Segment performance is evaluated based on profit or loss and is measured consistently in the interim condensed financial statements. The operations of the Company are mainly in the Kingdom of Saudi Arabia with some export sales in other GCC countries. For management reporting purpose, the Company is organised 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.

Arabian Company for Agricultural and Industrial Investment
(A Saudi Joint Stock Company)

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

For the three-month period ended 31 March 2025

4 PROPERTY, PLANT AND EQUIPMENT

<i>Net book value</i>	<i>As at 31 December 2024 (audited) SR</i>	<i>Additions during the period SR</i>	<i>Depreciation charge for the period SR</i>	<i>Transfers SR</i>	<i>Disposals SR</i>	<i>As at 31 March 2025 (unaudited) SR</i>
Lands *	61,902,890	-	-	-	-	61,902,890
Buildings	382,829,236	-	(4,777,986)	9,272,840	-	387,324,090
Machinery and equipment	294,393,081	-	(7,295,339)	4,011,883	-	291,109,625
Motor vehicles **	14,466,074	-	(292,312)	-	(6,089,894)	8,083,868
Office furniture and equipment	4,161,990	-	(744,012)	803,379	(166)	4,221,191
Capital spare parts	412,464	-	(27,917)	-	-	384,547
Projects in progress ***	163,232,858	1,860,146	-	(14,088,102)	-	151,004,902
Total	921,398,593	1,860,146	(13,137,566)	-	(6,090,060)	904,031,113

<i>Net book value</i>	<i>As at 31 December 2023 (audited) SR</i>	<i>Additions during the year SR</i>	<i>Depreciation charge for the year SR</i>	<i>Transfers SR</i>	<i>Disposals</i>	<i>As at 31 December 2024 (audited) SR</i>
Lands	62,172,890	-	-	-	(270,000)	61,902,890
Buildings	283,365,357	-	(16,971,375)	116,435,254	-	382,829,236
Machinery and equipment	221,873,645	-	(28,844,614)	101,364,050	-	294,393,081
Motor vehicles	12,072,854	-	(2,267,267)	4,757,600	(97,113)	14,466,074
Office furniture and equipment	3,449,540	-	(4,203,536)	4,915,993	(7)	4,161,990
Capital spare parts	524,139	-	(111,675)	-	-	412,464
Projects in progress	271,513,951	119,191,804	-	(227,472,897)	-	163,232,858
Total	854,972,376	119,191,804	(52,398,467)	-	(367,120)	921,398,593

* At 31 March 2025, out of the total 38 plots of land, 24 plots of land having a carrying amount of SR 38.68 million are mortgaged against long-term loans.

** During the period, the Company has disposed-off motor vehicles with a total net carrying amount of SR 6.1 million at a consideration of SR 19.4 million. The net gains on these disposals were recognised as part of other income in the interim condensed statement of profit or loss. The amount is receivable as of reporting date.

*** Projects in progress mainly represent extension projects on the existing land farms of the Company, which are expected to be completed by end of 2025.

Depreciation expense has been allocated as follows:

	<i>31 March 2025 (Unaudited) SR</i>	<i>31 December 2024 (Audited) SR</i>
Cost of revenue for the period / year	12,534,563	46,727,553
Selling and distribution for the period / year	513,824	5,379,302
General and administration for the period / year	89,179	291,612
Total charge for the period / year	13,137,566	52,398,467

Arabian Company for Agricultural and Industrial Investment
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

For the three-month period ended 31 March 2025

5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company is utilising the leased land farms and other leased assets for the purpose of its farming activities. Duration of the leased land farms is from 3 to 13 years. Except for one lease contract, all other lease contracts are signed with third parties. The Company is obliged for the regular maintenance of the leased assets. There are no guarantees given in lieu of the leased assets. There is no arrangement for transfer of ownership of the leased asset at any stage of the contract. The insurance of the leased assets is done by the lessor itself. The legal ownership of the right-of-use assets are retained with the lessor. Generally, the Company is restricted from assigning and subleasing the leased assets.

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

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	107,404,407	56,511,522
Addition during the period / year	668,357	64,892,791
Written-off during the period / year	-	(20,506)
Depreciation charge for the period / year	(4,466,643)	(13,979,400)
At the end of the period / year	103,606,121	107,404,407

Movement in lease liabilities is presented below:

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	104,891,303	57,628,830
Addition during the period / year	668,357	59,852,791
Accretion of interest for the period / year	1,472,019	4,708,304
Written-off during the period / year	-	(21,062)
Payments during the period / year	(6,772,500)	(17,277,560)
At the end of the period / year	100,259,179	104,891,303
Bifurcated into:		
Current portion	16,188,646	15,636,255
Non-current portion	84,070,533	89,255,048

Depreciation has been allocated as follows:

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Cost of revenue for the period / year	3,304,710	9,912,088
Selling and distribution for the period / year	165,625	82,080
General and administration for the period / year	996,308	3,985,232
Total charge for the period / year	4,466,643	13,979,400

Arabian Company for Agricultural and Industrial Investment
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

(UNAUDITED) (continued)

For the three-month period ended 31 March 2025

6 INVENTORIES

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Finished goods*	57,670,270	42,994,560
Spare parts	42,498,217	35,178,125
Raw materials	21,181,855	25,385,414
Packing materials	18,421,883	15,640,667
Work in progress	12,023,814	6,904,680
Medicines and vaccination	10,211,317	9,915,608
Goods for trading	6,700,835	2,578,678
Fuel and diesel	5,846,196	4,143,438
Goods in transit	3,862,539	12,585,121
Others	8,742,751	9,877,472
Less: Provision for slow moving inventories	(10,941,645)	(10,613,226)
	176,218,032	154,590,537

* Finished goods are presented net of the adjustment for net realisable value amounting to SR 5,923,259 (31 December 2024: SR 10,844,426). Further, during the period, expired finished goods amounting SR 175,727 (31 March 2024: SR 123,140) have been written-off.

Movement in provision for slow moving inventories were as below:

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	10,613,226	12,483,706
Charge (reversal) for the period / year	328,419	(1,870,480)
At the end of the period / year	10,941,645	10,613,226

7 BIOLOGICAL ASSETS

Biological assets consist of poultry, which is raised in farms located in Kingdom of Saudi Arabia until the date of slaughtering. As at 31 March 2025, the Company had a volume of 11.1 million live broiler birds (31 December 2024: 9.3 million live broiler birds). During the period ended 31 March 2025, the Company produced 32 million broiler birds (31 March 2024: 27.5 million broiler birds). Further, the Company had a volume of 212,023 live breeder birds (31 December 2024: 95,558) which are breeding eggs to produce broiler and 57,525 breeder birds (31 December 2024: 114,885) are under development to reach to breeding cycle.

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	54,670,000	52,613,412
Additions of broiler birds during the period / year	162,775,040	592,107,228
Additions of breeder birds during the period / year	5,459,227	8,818,891
Transfer to inventories during the period / year	(152,928,762)	(595,392,969)
Change in fair value during the period / year	(364,123)	(3,476,562)
At the end of the period / year	69,611,382	54,670,000
Broiler birds	59,985,603	48,160,000
Breeder birds – rearing and production	9,625,779	6,510,000

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8 PREPAYMENTS AND OTHER CURRENT ASSETS

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Advances to suppliers	26,423,458	10,722,525
Prepaid expenses**	21,573,600	4,088,148
Receivable from disposal of property, plant and equipment***	21,254,111	-
Staff advances and loans	1,801,105	1,640,902
Refundable deposits	502,335	502,335
VAT receivable	488,595	3,391,304
Advance for investment in a joint venture ****	250,000	-
Other receivables	2,451,077	2,451,077
	74,744,281	22,796,291
Less: provision for impairment	(5,441,129)	(5,441,129)
	69,303,152	17,355,162

** Included in prepaid expenses is SR 3.4 million (31 December 2024: nil) which is related to advance paid for marketing and advertising campaign not yet incurred as of reporting date.

*** During the period, the Company sold motor vehicles at a consideration of SR 19.4 million (exclusive of VAT). Out of total consideration inclusive of VAT, the Company has received only SR 1 million and remaining would be expected within 3-month time as of reporting date.

**** During the period, the Company decided to invest in 8.33% shareholding in a joint venture, Al Imtiaz Poultry Company. The Company paid SR 250,000 (50% of the investment) as of reporting date, however the joint venture company is still in legal process of incorporation.

9 GOVERNMENT SUBSIDIES RECEIVABLE

The Company receives subsidies from the Ministry of Environment, Water and Agriculture ("MEWA"), Kingdom of Saudi Arabia, in accordance with the national plan to encourage production of poultry and its income. There are no unfulfilled conditions or contingencies attached to these subsidies. Movement in the government subsidies receivable during the period / year were as follows:

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	2,120,992	2,612,833
Government subsidies earned during the period / year	1,461,090	11,071,356
Government subsidies collected during the period / year	(2,753,099)	(11,563,197)
At the end of the period / year	828,983	2,120,992

10 ACCOUNTS RECEIVABLES

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Accounts receivable	222,829,943	181,884,863
Less: Provision for expected credit losses	(57,008,039)	(54,161,833)
	165,821,904	127,723,030

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10 ACCOUNTS RECEIVABLES (continued)

Movement in provision for expected credit losses were as follows:

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	54,161,833	45,049,226
Charge for the period / year	2,846,206	9,454,590
Reversed during the period / year	-	(341,983)
At the end of the period / year	57,008,039	54,161,833

11 CASH AND CASH EQUIVALENTS

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Cash at banks	38,913,958	32,065,514
Cash on hand	2,372,151	1,414,741
	41,286,109	33,480,255

12 SHARE CAPITAL

The Company's authorized, issued and paid-up share capital is divided into 30,000,000 shares (31 December 2024: 30,000,000 shares) of SR 10 each, held as follows:

	31 March 2025 Percentage	31 December 2024 Percentage	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Arabian Agricultural Services Company ("ARASCO")	65.1%	95.1%	195,300,000	285,300,000
Ocean Line Marine Services Limited	4.9%	4.9%	14,700,000	14,700,000
Public	30%	-	90,000,000	-
	100%	100%	300,000,000	300,000,000

Increase in share capital

On 11 Jumada Al-Ula 1445H (corresponding to 25 November 2023), the Company ratified resolution for converting the legal status of the Company from a Limited Liability Company to a Saudi Closed Joint Stock Company and increasing the Company's share capital by SR 250 million through a transfer of the current portion of amounts due to the related party payable in addition to the non-current portion of amounts due to a related party to the statement of changes in equity as a contribution by the majority shareholder. Legal formalities to increase the share capital and conversion of legal status of the Company were completed on 19 Jumada Al-Akhirah 1445H (corresponding to 1 January 2024).

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(UNAUDITED) (continued)

For the three-month period ended 31 March 2025

13 ACCRUALS AND OTHER CURRENT LIABILITIES

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Accrual for inventories received	39,994,153	51,384,950
Accrued finance cost	18,409,315	13,595,766
Accrued salaries and related benefits	11,866,839	10,351,482
Advance payments from customers	3,675,807	3,218,317
Value added tax ("VAT")	3,043,288	6,714,403
Contract liabilities of biological assets	2,389,876	-
Accrued professional fees	870,500	728,000
Unclaimed deposits	601,843	1,526,919
Accrued Board and committee's rewards, expenses, and allowances	581,678	906,333
Others	5,295,349	4,571,518
	86,728,648	92,997,688

14 RELATED PARTY TRANSACTIONS AND BALANCES

The Company enters into transactions with the related parties described below in the ordinary course of business which include 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 2025 and 31 March 2024:

Related Parties	Relationship	Nature of transactions	Amount of transactions	
			31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Arabian Agricultural Services Company (ARASCO)	Majority shareholder	Purchases	139,268,741	72,810,389
		Shared services	4,336,075	4,450,300
		Financing loans proceeds	-	59,484,548
		Finance costs paid	-	5,101,794
		Payroll and employee benefits	307,404	-
		Logistics services	8,738	1,919,477
		Veterinary services	-	2,141,899
		VAT and government payments	6,643,787	27,537,408
		Supplier payments on behalf of the Company	910,941	13,236,569
		Sales	2,218,063	-
		Payments made	79,142,140	85,605,709
		Lease rent	2,587,500	-
		Collection of receivables	-	2,800,372
IDAC Merieux Nutri Sciences	Affiliate	Purchases	983,341	1,340,236
		Payments	1,475,900	10,446,504
AlKhorayef Lubricants Company	Affiliate	Payments	24,685	-

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14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Related Parties	Relationship	Nature of transactions	Amount of transactions	
			31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
AlKhorayef Agriculture Company	Affiliate	Purchases	42,320	115,572
		Rent	552,000	-
		Payments	594,320	611,501
AlKhorayef Commercial Company	Affiliate	Purchases	42,614	-
		Payments	189,596	-
Delicious Food Company	Affiliate	Sales	159,246	176,492
		Collections	213,077	210,432
Abdullah Al-Othaim Markets Company	Related to Board of Directors member	Sales	18,921,677	7,421,627
		Collections	14,457,463	7,421,627
Al Hanaki Trading Establishment	Affiliate	Sales	29,900	-
		Collections	108,042	-

Outstanding balances with the related parties are presented below:

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Amounts due from related parties		
Abdullah Al-Othaim Markets Company	14,700,799	10,236,585
Delicious Food Company	42,458	96,289
Al Hanaki Trading Establishment	15,121	93,262
Less: provision for expected credit losses	(220,740)	(77,567)
	14,537,638	10,348,569
	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
Amounts due to related parties		
Arabian Agricultural Services Company ("ARASCO")	119,815,158	47,112,175
IDAC Merieux Nutri Sciences	807,255	314,696
Middle East Food Solutions Company	236	236
AlKhorayef Commercial Company	-	146,982
AlKhorayef Lubricants Company	-	24,685
	120,622,649	47,598,774

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.

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14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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 recognised as an expense during the reporting period related to key management personnel.

	For the three-month period ended	
	31 March 2025 (Unaudited) SR	31 March 2024 (Unaudited) SR
Short-term employee benefits	2,365,499	935,256
Long-term employee benefits	95,758	40,715
Board and committee's rewards, expenses, and allowances	590,678	322,000

15 LONG-TERM AND SHORT-TERM LOANS

At the inception of the Company, the majority shareholder had obtained various ADF loans and Tawaruq loans from different local banks which were allocated to the Company through shareholders' agreement. These loans carry interest rates at prevailing market rate. 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 development activities. During the year ended 31 December 2024, all four loans have been transferred in the name of the Company from ARASCO. Long-term Tawaruq loan is secured through corporate guarantee from the majority shareholder, promissory notes and insurance proceeds of all farming / production facilities. Long-term agricultural development loan is secured through pledge of lands (refer note 4). Short-term loans are due to be paid in August 2025.

Movement in long-term loans were as below:

	31 March 2025 (Unaudited) SR	31 December 2024 (Audited) SR
At the beginning of the period / year	534,729,413	-
Transferred from the majority shareholder	-	582,570,131
Payments during the period / year	-	(47,840,718)
At the end of the period / year	534,729,413	534,729,413
<i>Less: Prepaid Management Fee and Transaction costs</i>		
At the beginning of the period / year	5,913,839	-
Transferred from the majority shareholder	-	6,341,819
Amortised during the period / year	(330,996)	(427,980)
At the end of the period / year	5,582,843	5,913,839
Net loans	529,146,570	528,815,574
Bifurcated into:		
Current portion of long-term loans	23,771,205	23,733,348
Non-current portion of long-term loans	505,375,365	505,082,226
	529,146,570	528,815,574

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. As of 31 March 2025, the Company has obtained a formal waiver from the banks, providing an exemption from these covenants through 31 December 2025.

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(UNAUDITED) (continued)

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16 REVENUE

	<i>For the three-month period ended</i>	
	<i>31 March 2025 (Unaudited) SR</i>	<i>31 March 2024 (Unaudited) SR</i>
Domestic sales		
Poultry sales	298,010,779	335,537,937
Table eggs sales	18,365,851	2,294,899
Red meat sales	244,836	417,770
	316,621,466	338,250,606
Export poultry sales	3,463,495	1,367,543
	320,084,961	339,618,149
Customer wise revenue recognition		
External customers	301,564,104	333,011,089
Related party customers	18,520,857	6,607,060
	320,084,961	339,618,149
Timing of revenue recognition		
Recognised at a point in time	320,084,961	339,618,149
Region-wise revenue recognition		
Kingdom of Saudi Arabia	316,621,466	338,250,606
Other GCC countries	3,463,495	1,367,543
	320,084,961	339,618,149

17 COST OF REVENUE

	<i>For the three-month period ended</i>	
	<i>31 March 2025 (Unaudited) SR</i>	<i>31 March 2024 (Unaudited) SR</i>
Direct materials	136,744,496	145,462,076
Overheads	43,641,711	55,813,448
Salaries, wages and related costs	29,514,773	25,154,380
Shipping and freight	13,669,436	8,923,629
Depreciation of property, plant and equipment	12,534,563	10,311,866
Packaging materials	8,007,524	7,591,963
Repair and maintenance	7,487,763	6,026,073
Utilities	3,679,849	3,910,852
Depreciation of right-of-use assets	3,304,710	2,098,678
Provision for employees' defined benefit liabilities	900,314	429,715
Machinery and equipment insurance	838,395	769,011
Expired finished goods	175,727	123,140
Government subsidies earned	(1,461,090)	(3,297,288)
Others	277,190	1,149,283
	259,315,361	264,466,826

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For the three-month period ended 31 March 2025

18 SELLING AND DISTRIBUTION EXPENSES

	<i>For the three-month period ended</i>	
	<i>31 March 2025 (Unaudited) SR</i>	<i>31 March 2024 (Unaudited) SR</i>
Salaries, wages and related costs	11,597,993	6,757,537
Marketing expenses	8,523,703	3,188,096
Shipping and freight	3,511,294	7,115,631
Sales commission	1,531,936	-
Depreciation of property, plant and equipment	513,824	1,852,202
Repair and maintenance	374,171	124,292
Provision for employees' defined benefit liabilities	337,760	157,106
Depreciation of right-of-use assets	165,625	-
Professional consultancy fees	74,550	510,964
Warehousing expenses	-	1,974,500
Others	1,833,775	1,218,774
	28,464,631	22,899,102

19 GENERAL AND ADMINISTRATION EXPENSES

	<i>For the three-month period ended</i>	
	<i>31 March 2025 (Unaudited) SR</i>	<i>31 March 2024 (Unaudited) SR</i>
Salaries, wages and related costs	9,618,199	7,873,400
Shared services expenses	3,770,500	3,869,826
Depreciation of right-of-use assets	996,308	-
Board and committee's rewards, expenses, and allowances	590,678	322,000
Professional consultancy fees	510,018	93,043
Provision for employees' defined benefit liabilities	286,302	351,165
Depreciation of property, plant and equipment	89,179	58,278
Rent	21,438	24,231
Others	458,068	1,079,846
	16,340,690	13,671,789

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(UNAUDITED) (continued)

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20 FINANCE COSTS

	<i>For the three-month period ended</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Finance costs on long-term and short-term loans	8,266,157	3,753,384
Finance costs on lease liabilities	1,472,019	847,407
Bank charges	632,666	501,002
Finance costs on employees' defined benefit liabilities	-	275,122
	10,370,842	5,376,915

21 OTHER INCOME

	<i>For the three-month period ended</i>	
	<i>31 March 2025</i>	<i>31 March 2024</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Gain on disposal of property, plant and equipment	13,261,341	-
Income from packaging services	4,535,904	-
Hatchery services**	1,475,010	2,710,825
Exchange rate differences	10,434	733,430
Others	150,082	-
	19,432,771	3,444,255

** Hatchery services represent service income from contractual agreements where the Company provides incubation and hatching of eggs to a Day-Old Chicks ("DOC") including requisite vaccinations.

22 ZAKAT

The Company is subject to zakat on its zakat base calculated in accordance with zakat regulations enforced in the Kingdom of Saudi Arabia.

Up to the year ended 31 December 2024, the majority shareholder of the Company, Arabian Agricultural Services Company "ARASCO", is filing consolidated zakat return for the Company and its affiliates. Zakat amount was recognised based on allocation done by the majority shareholder, which is dependent on the individual zakat base of the entity. From the year beginning 1 January 2025, the Company would be submitting its zakat return at the Company level. Differences between the financial and the zakatable results are mainly due to provisions which are not allowed in the calculation of zakatable income.

Movement in zakat provision were as follows:

	<i>31 March 2025</i>	<i>31 December 2024</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>SR</i>	<i>SR</i>
At the beginning of the period / year	-	-
Charge for the period / year	500,000	-
At the end of the period / year	500,000	-

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23 EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit for the period by the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares during the period.

Following table reflects the income and shares data used in the basic and diluted EPS computations:

	<i>For the three-month period ended</i>	
	<i>31 March 2025 (Unaudited) SR</i>	<i>31 March 2024 (Unaudited) SR</i>
Profit for the period	21,172,706	21,970,219
Weighted average number of ordinary shares for basic and diluted EPS	30,000,000	30,000,000
Earnings per share – basic and diluted	0.71	0.73

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

24 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Contingent liabilities

Contingent liabilities, obtained by ARASCO on behalf of the Company, as at 31 March 2025 include letters of guarantee amounting to SR 51.11 million (31 December 2024: SR 51.11 million) and letters of credit amounting to SR 33.9 million (31 December 2024: SR 40.39 million) for the benefit of the Company's external suppliers for raw materials purchases.

Capital commitments

The capital commitments related to ongoing capital work-in-progress projects amounts to Euro 7.85 million, equivalent to SR 32.98 million (31 December 2024: Euro 7.85 million, equivalent to SR 32.98 million).

25 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's capital and financial risk management strategies have not changed significantly since the last year end. All financial assets and financial liabilities of the Company are classified and measured at amortised cost.

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial asset consists of cash and cash equivalents, amounts due from related parties, accounts receivables and other receivables. Its financial liabilities consist of accounts payables, lease liabilities, amounts due to related parties, long-term loans, short-term loans and other current liabilities.

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

27 COMPARATIVE FIGURES

Certain comparative figures in the interim condensed statement of cashflows have been reclassified in order to conform with current period's presentation.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
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28 EVENTS AFTER THE REPORTING DATE

On 5 Shawwal 1446H (corresponding to 3 April 2025), the Board of Directors resolved to distribute cash dividend of SR 0.5 per share amounting to SR 15 million for the year ended 31 December 2024.

Apart from above, management believes that no significant subsequent events since the three-month period ended 31 March 2025 that would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.

29 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorised for issuance by the Company's Board of Directors on 15 Thul Qi'dah 1446H (corresponding to 13 May 2025).