

TABUK AGRICULTURAL DEVELOPMENT COMPANY (TADCO)
A SAUDI JOINT STOCK COMPANY

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tabuk Agricultural Development Company "TADCO"

A Saudi joint stock company

Report on the audit of the consolidated financial statements

Qualified Opinion

We have audited the consolidated financial statements of Tabuk Agricultural Development Company, a Saudi joint stock Company (the "Company") and its subsidiary companies (together the "Group."), which comprise the consolidated statement of financial position as of 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified opinion" section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Qualified Opinion

As disclosed in Note (15-A) to the consolidated financial statements, the Company has an investment in Masadar Agricultural Feeds Company (a subsidiary) which has been classified as a discontinued operation. The net deficit in its carrying amount amounted to 3,55 million.

- We were unable to obtain the audited financial statements of this subsidiary as at 31 December 2024 and 31 December 2025, and we were not able to perform alternative audit procedures to verify the carrying amount of the investment as at 31 December 2024 and 31 December 2025. Accordingly, we were unable to determine the potential impact on the consolidated financial statements.
- The Group has continued to present its investment in the subsidiary as a discontinued operation, despite the resolution of the Extraordinary General Assembly held on 10 December 2025 to cancel the previously approved disposal of the investment in Masader Agricultural Feeds Company, which had been approved by the Ordinary General Assembly on 25 September 2024, and to authorize the Board of Directors to take appropriate action in this regard. We were unable to obtain sufficient appropriate audit evidence to support that the Group continues to meet the criteria for such classification as at 31 December 2025, in accordance with the requirements of IFRS 5.

We conducted our audit in accordance with International Standards on Auditing ("ISA") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia (the "Code") that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor, who expressed an unmodified opinion on those financial statements in their report dated 11 Shawwal 1446H (corresponding to 9 April 2025), Which has not yet been approved by the Company's shareholders.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Tabuk Agricultural Development Company "TADCO"

A Saudi joint stock company

Material Uncertainty Related to Going Concern

We draw attention to Note (30) to the consolidated financial statements, which indicates the existence of material uncertainty related to going concern. The Group's accumulated losses amounted to $\text{S} 303,28$ million, representing 77% of its share capital, and its current liabilities exceeded its current assets by $\text{S} 176,93$ million. In addition, the Group reported negative operating cash flows of $\text{S} 15,56$ million, management has prepared the consolidated financial statements on a going concern basis based on its future business plans to generate sufficient positive cash flows to enable the Group to meet its obligations as they fall due and to continue its operations. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters.

The following is a description of each key audit matter and how it was addressed in our audit:

Key Audit Matters	How our audit addressed the key audit matters
<p>Impairment Assessment of Property, Plant and Equipment</p> <p>As at 31 December 2025, the net carrying amount of property, plant and equipment amounted to $\text{S} 152,62$ million.</p> <p>At each reporting date, the Group determines the cash-generating unit (CGU) for these assets at the lowest level at which separately identifiable and independent cash inflows can be determined. Management reviews the carrying amounts of the CGUs to assess whether there are any indicators of impairment. Where such indicators exist, management determines the recoverable amount, being the higher of value in use and fair value less costs to sell.</p> <p>For this purpose, an independent external expert was engaged to perform the impairment assessment. Based on this assessment, management concluded that the recoverable amount of these assets was lower than their carrying amount, resulting in the recognition of an impairment loss of $\text{S} 14,68$ million.</p> <p>The accounting policy for property, plant and equipment is disclosed in Note 4.5, and details of property, plant and equipment are presented in Note 6.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's structure and the relevant cash-generating units. • Assessed the reasonableness of management's estimates regarding the existence of impairment indicators, in light of current operating performance and relevant internal and external factors. • Reviewed and evaluated the report of the independent external expert, including assessing their competence and independence. • Evaluated the appropriateness of the methodology used by management to determine the recoverable amount. • Assessed the reasonableness of the key assumptions used by management. • Evaluated the sensitivity of the impairment test results to changes in key assumptions. • Assessed the appropriateness of the accounting policies and disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Tabuk Agricultural Development Company "TADCO"

A Saudi joint stock company

Key Audit Matters (Continued)

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue recognition</p> <p>During the year ended 31 December 2025, the Company recognized revenue amounting to 35,59 million.</p> <p>The Company recognizes revenue upon satisfaction of performance obligations at a point in time, which is typically when control of the goods is transferred to the customers.</p> <p>Revenue is measured at the fair value of the consideration received or receivable, taking into account payment terms and excluding any applicable taxes and duties.</p> <p>The Company focuses on revenue as a key performance indicator, which may create an incentive to recognize revenue prior to the transfer of control.</p> <p>Based on the above factors, and considering the materiality of the amounts involved, we have identified revenue recognition as a key audit matter.</p> <p>The accounting policy is disclosed in Note 4/21, and other relevant information related to revenue recognition is presented in Note 28.</p>	<p>Our audit procedures included, among other things:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's revenue recognition policy; Tested revenue transactions during the year on a sample basis and examined supporting documentation (including invoices, delivery evidence, and other relevant documents); Tested revenue transactions recorded before and after the reporting period, on a sample basis, to verify that revenue was recognized in the appropriate accounting period; Performed analytical procedures on revenue to assess the reasonableness of the revenue amount recognized in the accompanying consolidated financial statements; Assessed the adequacy of the related disclosures in the Group's consolidated financial statements.

Other Information

Other information consists of the information included in the Group's 2025 annual report, other than the Consolidated financial statements and our auditor's report thereon. The management is responsible for the other information in the annual report of the Group. The Group's 2025 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it became available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Tabuk Agricultural Development Company "TADCO"

A Saudi joint stock company

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA, and the Companies law and the Company's Bylaws and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the ISA that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Tabuk Agricultural Development Company "TADCO"

A Saudi joint stock company

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Regulatory and Legal Requirements

Article (20) of the Companies Law requires the auditor to include in their report any violations of the provisions of the Law or the company's articles of association that they have identified. During our audit of the current consolidated financial statements, we found that the company violated the Companies Law by failing to amend its articles of association to comply with the new Companies Law until after the end of the fiscal year (see Note 33).

for Alzoman, Alfahad and Alhajjaj Professional Services

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No. 562

Riyadh, Kingdom of Saudi Arabia

Date: 20 Shawwal 1447H

Corresponding to: 8 April 2026



TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
Assets			
Non-Current Assets			
Property, plant and equipment, net	6	152,622,378	181,109,579
Investments in companies through equity method	7/1	138,480,389	131,385,313
Investments at fair value through Other Comprehensive income	7/3	222,400	1,131,600
Total Non-Current Assets from Continued Operations		291,325,167	313,626,492
Current Assets			
Trade Receivable, net	8	393,140	4,147,696
Inventory, net	9	10,034,200	20,285,480
Biological assets	10	-	23,826,006
Due from the related party	11/1	5,060,000	-
Deferred Governmental grants		-	1,851,667
Property, plant and equipment held for sale		-	35,628
Prepayments and other receivables, net	13	2,492,331	2,721,922
Cash and cash equivalents	14	1,344,181	1,143,798
Total Current Assets from Continued Operations		19,323,852	54,012,197
Total Assets from discontinued Operations	15	18,021,908	20,509,115
Total Assets		328,670,927	388,147,804
Equity and Liabilities			
Equity			
Share capital	1	391,767,000	391,767,000
Other reserves	16	1,858,734	1,858,734
Re-measurement reserve of employee defined benefit obligations	17	3,703,937	(165,415)
Foreign currency translation reserve	7/2	(7,086,058)	(7,283,311)
Fair value reserve	7/3/1	(190,400)	718,800
Accumulated losses		(303,282,531)	(207,410,618)
Equity attributable to equity holders of the Parent		86,770,682	179,485,190
Non-controlling interest		446,345	500,000
Total Equity		87,217,027	179,985,190
Liabilities			
Non-Current Liabilities			
Long term loan- non-current portion	18	14,553,385	3,381,366
Employee defined benefit obligations	17	12,629,620	14,821,030
Total Non-Current Liabilities from Continued Operations		27,183,005	18,202,396
Current Liabilities			
Long-term loans - current portion	18	68,692,420	64,279,346
Trade payables		40,645,145	34,730,234
Due to related party	11/2	5,060,000	-
Dismantling provision	29	1,356,956	1,277,200
Deferred revenue	12	521,817	1,851,667
Accrued expenses and other payables	19	49,789,868	38,577,638
Dividends payable to shareholders	20	22,871,812	22,941,737
Provision for Zakat	21/2	3,758,489	4,707,820
Total Current Liabilities from Continued Operations		192,696,507	168,365,642
Total liabilities from discontinued operations	15	21,574,388	21,594,576
Total Liabilities		241,453,900	208,162,614
Total Shareholders' Equity and Liabilities		328,670,927	388,147,804

Chief Financial Officer

Zaid Yehia Mohammad Al Ghazu

**Chief Executive Officer**

Abdullah Hamoud Al Salhi Al Harbi

**Chairman**

Nasser Dieffullah Naqa Al Rahili



The accompanying notes an integral part of these consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
Sales, net	28	35,591,987	47,353,789
Cost of sales	22	(88,686,117)	(59,350,922)
Loss from continued operations		(53,094,130)	(11,997,133)
Selling and distribution expenses	23	(16,493,853)	(19,700,086)
General and administrative expenses	24	(23,631,860)	(27,443,329)
Impairment of property, plant and equipment	6	(14,679,504)	-
Operating losses from continued operations		(107,899,347)	(59,140,548)
Expected credit losses	8/1	(3,670,972)	(1,351,244)
Reversal of provision on advance to suppliers	13/1	376,573	-
Shares of profit of investments in associate through equity method	7/1	14,367,462	6,661,850
Impairment of investments in companies through equity method	7/1/1	-	(71,490,803)
Finance costs, net	12/1	(1,256,910)	(1,094,167)
Other income, net	25	2,141,783	2,943,484
Loss before Zakat from continued operations		(95,941,411)	(123,471,428)
Zakat	21/4	-	(688,730)
Net loss for the year from continued operations		(95,941,411)	(124,160,158)
Discontinued operations			
Profit / (Loss) for the year from discontinued operations	15	15,843	(21,698,669)
Net loss for the year		(95,925,568)	(145,858,827)
Loss for the year attributable to:			
Shareholders of the parent company		(95,871,913)	(144,226,008)
non-controlling interests		(53,655)	(1,632,819)
		(95,925,568)	(145,858,827)
Other comprehensive loss			
Items that will not be reclassified to profit or loss:			
Unrealized (loss)/gains from investments at fair value through other comprehensive income	7/3/1	(909,200)	342,080
The company's share of actuarial losses from the re-measurement of employee benefit obligations for investments in companies at equity method	17	(127,124)	(144,870)
Actuarial gains on re-measurement of employee defined benefit obligations	17	3,996,476	375,134
Items that may be reclassified later to statement of profit or loss in subsequent periods:			
Foreign currency translation differences	7/2	197,253	(5,136,133)
Total other comprehensive income /(loss)		3,157,405	(4,563,789)
Total comprehensive loss for the year		(92,768,163)	(150,422,616)
Comprehensive loss attributable to:			
Shareholders of the parent Company		(92,714,508)	(148,789,797)
Non-controlling interest		(53,655)	(1,632,819)
		(92,768,163)	(150,422,616)
Loss per share for the shareholders of the parent company	26	(2.45)	(3.68)
Loss per share for the shareholders of the parent company from continued operations	26	(2.45)	(3.17)
Earnings / (loss) per share for the shareholders of the parent company from discontinued operations	26	0.002	(0.51)

Chief Financial Officer

Zaid Yehia Mohammad Al Ghazu


Chief Executive Officer

Abdullah Hamoud Al Salhi Al Harbi


Chairman

Nasser Dieffullah Naqa Al Rahili



The accompanying notes an integral part of these consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Share capital	Other reserves	Re-measurement reserve of employee defined benefit obligations	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total equity attributable to shareholders of the Parent Company	Non-controlling interest	Total Equity
2025:									
Balance as of 1 January	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 year	-	-	-	-	-	(95,871,913)	(95,871,913)	(53,655)	(95,925,568)
Other comprehensive income	-	-	3,869,352	197,253	(909,200)	-	3,157,405	-	3,157,405
Total comprehensive loss for the year	-	-	3,869,352	197,253	(909,200)	(95,871,913)	(92,714,508)	(53,655)	(92,768,163)
Balance as of 31 December	<u>391,767,000</u>	<u>1,858,734</u>	<u>3,703,937</u>	<u>(7,086,058)</u>	<u>(190,400)</u>	<u>(303,282,531)</u>	<u>86,770,682</u>	<u>446,345</u>	<u>87,217,027</u>
2024:									
Balance as of 1 January	391,767,000	1,858,734	(395,679)	(2,147,178)	376,720	(63,184,610)	328,274,987	500,000	328,774,987
Net loss for the year	-	-	-	-	-	(144,226,008)	(144,226,008)	(1,632,819)	(145,858,827)
Other comprehensive loss	-	-	230,264	(5,136,133)	342,080	-	(4,563,789)	-	(4,563,789)
Total comprehensive loss for the year	-	-	230,264	(5,136,133)	342,080	(144,226,008)	(148,789,797)	(1,632,819)	(150,422,616)
Absorption of losses from non-controlling interest for (Subsidiary Company) *	-	-	-	-	-	-	-	1,632,819	1,632,819
Balance as of 31 December	<u>391,767,000</u>	<u>1,858,734</u>	<u>(165,415)</u>	<u>(7,283,311)</u>	<u>718,800</u>	<u>(207,410,618)</u>	<u>179,485,190</u>	<u>500,000</u>	<u>179,985,190</u>

* Represent absorption of losses from non-controlling interest holders for Masader Agricultural Feed Company ("a subsidiary") which is owned by Tabuk Agricultural Development Company "TADCO" by 60% and the total losses will be absorbed by partners ﷲ 4,082,048 and the Non-controlling interest represent 40% amounted ﷲ 1,632,819 based on the partner decision dated 3 April 2025 for subsidiary company.

Chief Financial Officer

Zaid Yehia Mohammad Al Ghazu


Chief Executive Officer

Abdullah Hamoud Al Salhi Al Harbi


Chairman

Nasser Dieffallah Naga Al Rahili



The accompanying notes are an integral part of these consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
OPERATING ACTIVITIES:			
loss for the year before Zakat from continued operations		(95,941,411)	(123,471,428)
Profit / (Loss) for the year from discontinued operations		15,843	(21,698,669)
Adjustments for:			
Depreciation of property, plant and equipment	6	15,131,349	20,142,534
Impairment of Property, plant and equipment	6	14,679,504	
Capital gains from disposal of property, plant and equipment	25	-	(1,729,400)
Employees defined benefit obligations	17	2,189,445	2,353,609
Amortization of right-of-use assets		-	13,630
Impairment of biological assets	10	20,096,292	18,010,535
Provision of expected credit losses - trade receivables	8/1	3,670,972	1,351,244
Reversal of provision on advance to suppliers	13/1	(376,573)	-
Group shares of profit of investments in associate through equity method	7/1	(14,367,462)	(6,661,850)
Impairment of investments in companies through equity method	7/1/1	-	71,490,803
Impairment of inventory	9/1	3,590,353	11,135,843
(Reversal)/provision of the obsolescence and slow-moving inventory	9/1	(468,054)	298,968
Used from of inventory provision	9/1	(7,819,715)	(6,514,381)
Write off of the Inventory		(1,082,754)	-
Dismantling provision	29	79,756	-
Finance costs	12/1	1,256,910	1,094,167
Changes in operating assets and liabilities			
Inventory		16,031,450	(5,959,003)
Trade receivables		83,584	1,622,823
Due from related party		113,726	43,828
Prepayments and other receivables		606,164	2,577,589
Biological assets		6,103,195	(6,763,386)
Trade payables		5,914,911	1,417,645
Due to related party		5,060,000	-
Accrued expenses and other payables		11,207,518	(5,138,235)
Cash used in operating activities		(14,224,997)	(46,383,134)
Employees defined benefit obligations paid	17	(384,379)	(1,195,999)
Zakat paid during the year	21/2	(949,331)	(1,176,126)
Net cash used in operating activities		(15,558,707)	(48,755,259)

The accompanying notes an integral part of these consolidated financial statements

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
INVESTING ACTIVITIES:			
Proceeds from reduction of capital of an investment in the equity method	7/1/3	2,282,515	-
Proceeds for property, plant, and equipment held for sale		35,628	21,480
Purchase of property, plant, and equipment	6	(1,323,652)	(2,237,150)
Proceeds from the sale of property, plant, and equipment		-	2,161,792
Net cash used in / (generated from) investing activities		994,491	(53,878)
FINANCING ACTIVITIES:			
Proceeds from long-term loan	18/1	14,850,000	40,500,000
Dividends paid	20	(69,925)	(19,369)
Paid from Lease liabilities		(15,476)	(14,464)
Net cash generated from financing activities		14,764,599	40,466,167
Net change in cash and cash equivalents		200,383	(8,342,970)
Cash and cash equivalents at the beginning of the year		1,143,798	9,486,768
Cash and cash equivalents at the end of the year	14	1,344,181	1,143,798
Material non-cash transactions			
Transfer from assets to discontinued operations	15	-	(20,509,115)
Transferred from liabilities to discontinued operations	15	-	(21,594,576)
Elimination of equity-accounted investments against amounts due from related parties.	7/1/3	5,060,000	-

Chief Financial Officer

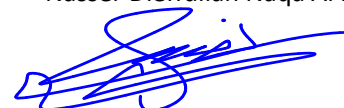
Zaid Yehia Mohammad Al Ghazu


Chief Executive Officer

Abdullah Hamoud Al Salhi Al Harbi


Chairman

Nasser Dieffullah Naqa Al Rahili



TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

1- COMPANY'S MAIN ACTIVITIES

The Tabuk Agricultural Development Company "TADCO" is a Saudi joint stock company registered under the company's commercial registration issued by the city of Tabuk under registration No 3550005403. On 15 Shaaban 1404 corresponded to 16 May 1984. The company was formed on 22 March 1983, by Royal Decree No. (11/M).

The Company's capital is ﷲ 450 million divided into 45 million shares, with a Par value of ﷲ 10 per share. On 18 March 2020, the capital was reduced to ﷲ 241,767,000, with a Par value of ﷲ 10 per share, to cover the Company's accumulated losses on 4 May 2021, the capital was increased by ﷲ 150 million to become ﷲ 391,767,000 divided to 39,176,700 shares with a Par value of ﷲ 10 per share. This resulted in costs of issuing equity instruments amounting to ﷲ 6,8 million that were deducted from equity.

On 3 May 2021, the Company's board of directors approved the use of the statutory reserve amounting to ﷲ 68 million to extinguish part of the accumulated losses according to the audited financial statements as of 31 December 2020, amounting to ﷲ 86,5 million.

The main activity of the Group is mixed farming (mixed production between crops and animals without specialized production of crops and animals), support activities for animal production, the manufacture of concentrated feed for animals, management and leasing of owned or leased real estate residential and non-residential).

The new Companies Law issued by Royal Decree No. (M/132) dated 1 Dhul-Hijjah 1443H (corresponding to 30 June 2022) (hereinafter referred to as the "Law") came into force on 26 Jumada Al-Thani 1444H (corresponding to 19 January 2023). On 12 January 2026, the Company's management aligned with the new Companies Law and amended its Articles of Association to comply with its provisions.

The Group's fiscal year begins at the beginning of January of each calendar year and ends at the end of December of the same year.

The Group's head office is located in the Tabuk region PO Box 808 Tabuk 71421, and the Board of Directors may establish branches, offices or agencies for it inside and outside the Kingdom of Saudi Arabia.

2- BASIS OF PREPARATION

2/1 Statement of compliance

These consolidated financial statements have been prepared for the year than ended on 31 December 2025 in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and company bylaw.

2/2 BASIS OF MEASUREMENT AND PRESENTATION

The consolidated financial statements have been prepared on the historical cost basis, unless international financial reporting standards allow measurement according to other evaluation methods.

Preparing consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates, and assumptions that may affect the application of accounting policies and the amounts reported in the consolidated financial statements. These significant judgments and assumptions have been disclosed in Note 5.

The items included in the company's financial statements are measured using the functional currency, which is the basic economic environment in which the company operates ("the functional currency"). The financial statements are presented in Saudi Riyals "ﷲ", which is both the functional currency and the presentation currency.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

2- BASIS OF PREPARATION (CONTINUED)

2/3 NEW STANDARDS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS

1-Amendments to IAS 21 - Lack of Exchangeability

An entity is affected by these amendments when it has a transaction or operation in a foreign currency that is not exchangeable into another currency at the measurement date for a specified purpose. The above amendment had no material impact on the consolidated financial statements during the year.

2. Standards Issued but Not Yet Effective

The following outlines new standards and amendments applicable for annual periods beginning on or after January 1, 2026, with early adoption permitted; however, the Group has not adopted them in the preparation of these financial statements. The Group is currently assessing the impact of applying these standards on its financial statements.

Amendments to IFRS 9 and IAS 7 - Classification and Measurement of Financial Instruments:

- Clarification of the timing requirements for recognizing and derecognizing certain financial assets and liabilities, including a new exception for certain financial liabilities settled through electronic cash transfer systems.
- Clarification and additional guidance for assessing whether a financial asset meets the "solely payments of principal and interest" (SPPI) criterion.
- Introduction of new disclosures for certain instruments with contractual terms that may change cash flows, such as instruments linked to environmental, social, and governance (ESG) targets; and
- Updates to disclosures relating to equity instruments designated at fair value through other comprehensive income (FVOCI).

IFRS 18 - "Presentation and Disclosure in Financial Statements"

This new standard on presentation and disclosure in financial statements focuses on updates to the statement of profit or loss. Key new concepts introduced in IFRS 18 include:

- A revised structure for the statement of profit or loss.
- Required disclosures in the financial statements for certain profit or loss performance measures reported outside the financial statements (i.e., management-defined performance measures).
- Enhanced principles for aggregation and classification applicable to the financial statements and notes in general.

3- BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of Tabuk Agricultural Development Company (TADCO) (the "Company" or "Parent Company") and its subsidiaries (together referred to as the "Group") as of 31 December 2025. The date of the financial statements for all subsidiaries is 31 December 2025.

Subsidiaries are those companies over which the parent company has control. The control is realized when the Group is exposed to or has the right to variable returns from the investee and the ability of the investor to use its power to affect those variable returns.

A parent Company controls an investee company if it has all three of the following elements:

- Power over the investee company;
- Exposure, or rights, to variable returns from its involvement with the entity; and
- The ability to use its power over the entity to influence the amount of the entity's returns.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

3- BASIS OF CONSOLIDATION (CONTINUED)

When the Parent Company does not have a majority of the voting rights in an investee, the Parent Company considers other facts and factors when assessing control, including:

- Arrangement (or arrangements) with the other voting rights holders of the investee Company.
- The parent company is voting rights.
- The Group is voting rights and any potential voting rights.

The consolidated financial statements include the financial statements of subsidiaries acquired or sold from the date on which effective control commences until that control effectively ceases.

The financial statements of the subsidiaries are compiled on a line-by-line basis by adding similar items of assets, liabilities, income and expenses. All intercompany balances and transactions, including unrealized gains or losses arising from intra-group transactions, are eliminated in full. Consolidated financial statements should be prepared using uniform accounting policies for like transactions and other events in like circumstances.

The financial statements of the subsidiaries are prepared for the same date or within three months of the date of the parent company's financial statements period ending 31 December 2025, using consistent accounting policies.

Adjustments are made to standardize any asymmetric accounting policies that may exist between the financial year end date of the subsidiaries and the parent company's financial year date.

The non-controlling interests in the net assets of the consolidated subsidiaries are identified separately from the Group's equity in these companies. The non-controlling interest consists of the amount of those interests at the date of the actual combination of the business and the non-controlling interest's share of changes in equity since the date of the combination. Losses within a subsidiary accrue to the non-controlling interest even if this results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control over these subsidiaries are accounted for as equity transactions. For purchases from non-controlling interests, the difference between any amount paid and the related purchased share of the fair value of the net assets of the subsidiary is recognized in equity. Gains or losses on disposals to the non-controlling interests are also recognized in equity.

When the Group ceases to have control or significant influence, any retained equity interest is re - measured to its fair value, and the change in carrying amount is recognized in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognized in other comprehensive income relating to this entity are accounted for as if the Group had directly disposed of these assets or liabilities (that is, it is reclassified to profit or loss or transferred directly to retained earnings as determined by it). International Financial Reporting Standards.

Company Name	Commercial registration number	Legal Form	Country of incorporation	Direct ownership percentage as of		Activity
				2024	2023	
Masader Agricultural Feed Mill Ltd Company**	4030325647	A limited liability company	Kingdom of Saudi Arabia	60%	60%	Sales agents in live animals. Wholesale of grains and seeds, except for barley. Wholesale of livestock feed.
Tabuk Agricultural Marketing Company**	3550123534	One person closed joint stock company	Kingdom of Saudi Arabia	100%	100%	Agricultural marketing.
Tabuk Nurseries Company**	3550123535	One person closed joint stock company	Kingdom of Saudi Arabia	100%	100%	Landscaping.

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3- BASIS OF CONSOLIDATION (CONTINUED)

* The Group waived all its shares in the Fine Flour Mills Company "a subsidiary" amounting to 750 shares to a related party with its rights and obligations, in exchange for establishing a new company "Masader Agricultural Feed Company" with a capital of ﷲ 1,250,000. Provided that the group owns 60% of the capital at a value of ﷲ 750,000, and the commercial registration of the subsidiary company was issued on 24 February 2019. The Group management works with the management of the subsidiary company to finalize the procedures for transferring ownership of assets and transferring all operational financial operations in the name of the affiliated Group to the waiver agreement signed between The owner of the establishment (one of the partners) and the Group, where the total assets of the Masader Agricultural Feed Company included in these consolidated financial statements amounted to ﷲ 18,021,908. In order to preserve the rights of the shareholders of Tabuk Agricultural Development Company, the company filed a lawsuit to claim the recovery of the sum of ﷲ 18,000,000, which was presented to the subsidiary company in exchange for the partner's assignment of the factory's assets, in the case that ownership could not be transferred to the subsidiary company.

On 25 September 2024, Tabuk Agricultural Development Company obtained shareholder approval for the Board of Directors' decision to exit its investment in Massadr Agriculture Feed Company by selling its entire shares, representing 60% of the company's total shares, to partner Ahmed Hussein Al-Omari. The exit process was initiated (Note 15).

Pursuant to the resolution of the Extraordinary General Assembly held on 10 December 2025, approval was obtained to cancel the resolution of the Ordinary General Assembly held on 25 September 2024, which had approved the Board of Directors' recommendation to divest the Company's investment in Masader Agricultural Feed Company through the sale of all shares owned by Tabuk, representing 60% of the total shareholding in the company. The Board of Directors was authorized to take any actions it deemed appropriate in the best interest of the Company.

** Pursuant to the resolution of the Extraordinary General Assembly held on 11 October 2022, approval was obtained to liquidate both Tabuk Nurseries Company and Tabuk Agricultural Marketing Company, and the statutory liquidation procedures were initiated. Subsequently, after the reporting date, on 16 March 2026, the Boards of Directors of both Tabuk Nurseries Company and Tabuk Agricultural Marketing Company resolved to suspend the liquidation process in order to reassess the status of both companies and explore the possibility of utilizing and reactivating them in a manner that serves the interests of Tabuk Agricultural Development Company.

Non-Controlling Interests

Non-controlling interest is measured at the acquisition date either at the fair value or the proportionate share of the fair value of the identifiable net assets of the acquire. The measurement basis is selected separately for each transaction. Subsequent to the acquisition, the non-controlling interests are presented at initial recognition plus their share of the subsequent changes in equity of the acquire, and are shown as a separate item in the statement of profit or loss, other comprehensive income, and within the equity at the consolidated statement of financial position.

Acquisitions or disposals of non-controlling interests that do not affect the parent company's control on the subsidiary are accounted for as transactions with equity holders.

The difference between the fair value of the consideration for the paid or collected amounts and the change in non-controlling interests is recognized directly at the shareholders' equity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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3- BASIS OF CONSOLIDATION (CONTINUED)

Business combinations and goodwill

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred or assumed by the Group to the former owners of the acquire and equity instruments issued by the Group in exchange for control of the acquire, plus any costs directly attributable to the business combination. Acquisition-related costs are generally recognized in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair values at the acquisition date.

When the consideration transferred by the group in a business combination includes assets or liabilities resulting from the contingent consideration arising under the agreement, the contingent consideration is measured at fair value on the acquisition date and included as part of the consideration transferred in the business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments credited to the goodwill account.

Measurement period adjustments are adjustments that result from the availability of additional information obtained during the "measurement period" (which shall not exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non - controlling interests in the acquire, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non - controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non - controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non - non-controlling interests ' proportionate share of the recognized amounts of the acquirer's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

If the initial accounting for business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for items for which the accounting is incomplete.

Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is re-measured to fair value at the acquisition date (i.e., the date when the Group obtains control), and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES INFORMATION

4/1 Financial Instruments

Financial Assets

A) Classification

The group classifies financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the group business model of managing its financial assets and the contractual terms of cash flows. For financial assets measured at fair value, gains and losses are recognized in the statement of profit or loss or other comprehensive income.

B) Measurement

On initial recognition, the Group measures the financial asset at its fair value. If the financial asset is not measured at fair value through profit or loss, it is measured through transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged as an expense in profit or loss.

Financial instruments included in derivative financial instruments are considered in determining whether their cash flows are the sole payment of principal and interest.

Debt Instruments:

Subsequent to the measurement of the debt instrument, which is based on the Group business method of managing the asset and the cash flow characteristics of the asset, there are three measurement categories for which the Group classifies debt instruments:

Amortized cost:

Assets held for the purpose of aggregating contractual cash flows where those cash flows represent the payments of principal and interest are measured at amortized cost. Gains or losses on a debt instrument subsequently measured at amortized cost and which are not part of the hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in financing income using the effective interest rate method.

Fair value through other comprehensive income statement:

The group has selected to recognize changes in the fair value of investments in equity shares in OCI these changes are accumulated within OCI. May transfer this amount from OCI to retained earnings when the relevant shares are derecognized.

Dividends from such investments continue to be recognized in the statement of profit or loss as other income when the company right to receive payments is established.

Reclassification

When an entity changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with the above-mentioned classification requirements.

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4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

4/1 Financial Instruments (CONTINUED)

Financial Assets (CONTINUED)

B) Measurement (CONTINUED)

Offset of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Share Capital

Instruments issued by the Group are classified as equity (shareholders' equity) only to the extent that the definition of the asset or liability does not apply. The Group ordinary shares are classified as equity instruments (Shareholders' equity).

Financial assets Impairment

IFRS 9 requires the entity to adopt the expected credit loss model regarding the decrease in the value of financial assets.

Under IFRS (9), loss allowances are measured on either of the following bases:

- 12-month ECL. These are ECLs that result from possible default events within the 12 months after the reporting date;
- Lifetime expected credit loss These are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a credit asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. The Company can assume that credit risks on a financial instrument didn't significantly increase since the initial recognition; if the financial instrument is previously determined as low credit risk instrument at the date of report. However, lifetime expected credit loss measurement is always applied on trade receivables and assets of the contracts without the presence of a significant finance item, in which the Company can adopt this policy to trade receivables with a non-significant finance item.

Measuring expected credit losses serves as an indicator of the likelihood of default or the loss arising from default (meaning the magnitude of the loss if there is a default) and exposure to credit default. The assessment of the likelihood of default and the resulting loss from default is based on historical data adjusted for future information as outlined above. As for exposure to credit default, for financial assets, it is recorded at the total carrying amount of the assets at the reporting date.

The carrying amount of financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in the profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write - off is later recovered, it is recognized in profit or loss in the period of recovery.

The carrying amounts of non-financial assets of the Group are reviewed at each financial reporting date to determine whether there is any indication of impairment. If such indicators are present, the recoverable amount of the asset is estimated.

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4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)**4/1 Financial Instruments (CONTINUED)****Financial Assets (CONTINUED)****B) Measurement (CONTINUED)****Financial assets Impairment (CONTINUED)**

An impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use.

The recoverable amount is determined for an individual asset unless the asset does not generate largely independent cash flows that are separate from those of other assets or groups of assets. When the carrying amount exceeds the recoverable amount, the asset is considered impaired and is reduced to its recoverable amount. The fair value less costs to sell considers the most recent market transactions. If such transactions cannot be determined, an appropriate valuation model is used. The value in use is based on the discounted cash flow model, where expected future cash flows are discounted using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks associated with the asset.

An assessment is conducted at each financial reporting date to determine whether there is evidence indicating the absence of previously recognized impairment losses or a reduction in such losses. If such evidence exists, the company estimates the recoverable amount of the asset or cash-generating unit. The reversal of a previously recognized impairment loss is made if there has been a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss. Any non-financial assets, excluding goodwill if any, whose carrying amount has been impaired are reviewed for possible reversal of the impairment at the end of each reporting period.

Financial Liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at FVTPL. The Group does not have any financial liabilities that are measured at fair value through profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that discounts the estimated future cash flows (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts) over the expected life of the financial liability, or (if appropriate), shorter period, to the amortized cost of the financial liability.

De-recognition Financial Liabilities

A financial liability is derecognized when the specified obligation is discharged, canceled, or expires. When replacing an existing financial obligation with another from the same lender on substantially different terms or amending the terms of the current liabilities substantially, this exchange or amendment is treated as a non-fulfillment of the original obligation and realization of a new obligation, and the difference in the related carrying value is recognized in the statement of profit or loss.

Settlement of financial instruments

Assets and liabilities are settled, and the net amount is recognized in the consolidated financial statements when there is a legally enforceable right to settle recognized amounts, and there is an intention to settle the net amount or to realize the asset and settle the liability simultaneously. The legally enforceable right should not be contingent on future events and should be enforceable in the normal course of business and in the event of default, insolvency, or bankruptcy of the Group or counterparty.

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4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

4/2 Right-Of-Use Assets and Lease Obligations

The Group assesses whether a contract is, or contains a lease, at the inception of the contract. The Company recognizes a right to use the asset and a corresponding lease obligation in respect of all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. The Company recognizes payments for these leases as an operating expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

A) Right-of-use assets

The right-of-use assets include the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date and any initial direct costs. Subsequently, they are measured at cost less accumulated depreciation and impairment losses.

A provision is recognized and measured under International Accounting Standard No. (37), when the Company has incurred an obligation for the costs of dismantling and removing a leased asset, rehabilitating the site on which it is located or restoring the underlying asset to the condition required under the terms and conditions of the lease. Costs are included in the related right-of-use asset, unless those costs are incurred to produce the inventories.

The right to use the assets is depreciated over the lease term or the useful life of the underlying asset, whichever is shorter. The relevant right-of-use asset is depreciated over the useful life of the underlying asset, if the lease contract transfers ownership of the underlying asset or the cost of the right-to-use asset reflects that the company expects to exercise the purchase option. Depreciation begins on the lease commencement date.

B) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. The company uses an incremental borrowing rate if the rate is not readily determined. The lease payments included in the measurement of the lease liability consist of:

- fixed lease payments (including fixed implicit payments), less any lease incentives,
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- the amount expected to be payable by the lessee under the residual value guarantees,
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options, and
- Payments of penalties in the event of termination of the lease, if the terms of the lease reflect the exercise of the option to terminate the lease.

The lease liability is presented as a separate line item in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the right-of-use asset) whenever:

- the lease term has changed or there has been a change in the assessment of exercising the purchase option, in which case the lease liability is remeasured by discounting the modified lease payments using the revised discount rate,
- Lease payments have changed due to a change in the index or rate or a change in the expected payment under the guaranteed residual value. In these cases, the lease obligation is remeasured by discounting the revised lease payments using the initial discount rate (unless lease payments change due to a change in the interest rate). floating point, in which case the adjusted discount rate is used).
- The lease contract has been modified and the lease contract modification has not been accounted for as a separate lease contract. In this case, the lease liability is remeasured by discounting the modified lease payments using a modified discount rate.

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4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

4/2 Right-Of-Use Assets and Lease Obligations (CONTINUED)

C) Short-term leases and leases with low-value assets

Short-term leases are leases term with 12 months or less. Low-value assets are items that do not meet the group capitalization limits and are considered to be not material to the group consolidated financial position statement as a whole. Short-term lease payments and low-value asset leases are recognized on a straight-line basis in the profit or loss statement.

4/3 Foreign Currencies translation

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the end of each reporting period at the exchange rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognized in the statement of profit or loss in the year in which they arise except for foreign exchange differences on monetary items due from or due to a foreign operation that are not likely or due to be settled (and therefore form part of the net Investment in the foreign operation) which is initially recognized in other comprehensive income and is reclassified from shareholders' equity to the statement of profit or loss upon settlement of the monetary items.

On disposal of a foreign operation (disposal of the Company's entire interest in a foreign operation, disposal involving loss of control of a subsidiary that includes a foreign operation), all cumulative exchange differences in equity for that operation attributable to the Company's shareholders are reclassified to the statement of profit or loss. In addition, in connection with the partial disposal of a subsidiary that includes a foreign operation, which does not result in the Company losing control of the subsidiary, the proportionate share of the accumulated exchange differences is redistributed to the non-controlling interests and is not recognized in the statement of profit or loss. For all other partial disposals (such as partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the cumulative exchange rate differences is reclassified to the statement of profit or loss.

4/4 Foreign currency translation differences for subsidiaries

Each subsidiary within the Group accounts for transactions denominated in currencies other than the presentation currency based on the prevailing exchange rates at the transaction dates. Assets and liabilities denominated in foreign currencies are translated at the end of each financial period using the prevailing exchange rates on that date. Exchange rate differences on cash items are recognized in the consolidated statement of profit and loss in the period in which they arise, except when deferral of other comprehensive income is appropriate to hedge qualifying cash flows.

Assets and liabilities included in the consolidated financial statements of foreign subsidiaries, which are issued in their functional currency of Saudi Riyals, which is both the functional currency and the presentation currency for the group, using prevailing exchange rates at the end of the year. Revenues and expenses are translated into Saudi Riyals at the weighted average exchange rates during the year or, where appropriate, at the exchange rates prevailing at the transaction dates for significant transactions.

The changes resulting from the retranslation of the opening balance of the net assets from foreign operations and the changes resulting from the translation of the net results of the year from foreign operations are recognized in the statement of other comprehensive income.

When there is a change in control over foreign operations, the changes in exchange rates included in equity are reclassified to the consolidated statement of profit or loss as part of the gains or losses of the disposal.

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

4/5 Property, plant, and equipment

A) Recognition and measurement

Items of property, plant, and equipment, as well as Bearer plants are measured at cost net of accumulated depreciation and accumulated impairment losses "if any".

The cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes costs of materials, direct labor, any other costs directly attributable to preparing the asset for its intended use, and costs of dismantling, removing, and reinstalling them on the site.

When the useful lives of some items of property, plant, and equipment are different, they are accounted for as separate components (Major components) of property, plant, and equipment.

Gains or losses are determined upon disposal of any item of property, plant, and equipment by comparing the consideration received with the asset's carrying value and is inserted net in other income in the statement of profit or loss.

B) Subsequent costs & maintenance

The replacement cost of any item of property, plant, equipment, and overhaul is recognized in the carrying amount of the asset if it is probable that economic benefits will flow from that asset to the company, and those benefits can be measured reliably and the carrying value of the replaced part is derecognized. The daily cost of servicing property, plant, equipment, and overhaul is recognized in profit or loss as incurred.

C) Depreciation

Depreciation is calculated based on the depreciable amount and it is the asset cost or alternative amount of cost less the residual value.

Depreciation is recognized in the statement of profit or loss using the straight-line method over the estimated useful lives of each item of property, plant, and equipment, as this is the closest method that reflects the expected pattern of depreciation of the economic benefits inherent in the asset.

Below are the estimated depreciation rates for the current and comparative periods:

	Percentage %
Buildings and silos	2.5 - 10
Machinery and equipment	2.5 - 17.5
Wells and irrigation systems	3.33 - 20
Means of transportation and transfer	14.5 - 25
Mature plants and trees	2.27 - 8.33
furniture	17.5

Agricultural lands, projects under construction, and immature bearer plants are not depreciated.

Projects under construction at the end of the year include some assets that have been acquired but are not ready for their intended use. These assets are transferred to the relevant asset classes and are depreciated when they are ready for use.

The group reviews the Depreciation methods, useful lives, and residual values are reviewed at the end of each financial year, to ensure that they reflect the benefit obtained, and in the event of a difference, it is treated as changes in the accounting estimates (in the year of change and subsequent years).

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

4/5 Property, plant, and equipment (Continued)

C) Depreciation (Continued)

Project under construction

Project costs are accounted for on the basis of actual costs incurred and are presented as projects under construction until the project is handed over from the contractor. Then they are transferred to various items within property, plant, and equipment, and depreciation begins

4/6 Bearer plants

IAS 16 Property, Plant, and Equipment defines the bearer plants as:

- Used in the production or supply of agricultural products.
- Expected to yield more than once during the period.
- There is a remote possibility of selling them as agricultural products other than scrap sales.

Bearer plants are initially recognized at cost less accumulated depreciation and accumulated impairment losses. The cost incurred by the group includes the acquisition of the asset and includes the costs of raw materials, labor, and all other direct costs associated with placing the asset in a condition that enables it to achieve the purpose for which it was purchased.

Any gain or loss arising from the disposal of bearer plants (calculated on the basis of the difference between the net proceeds of sale and the carrying amount of plants) is recognized in other income in the statement of profit or loss in the period in which the asset is derecognized.

4/7 Biological assets

Biological assets are measured at fair value less costs to sell unless the fair value cannot be reliably measured. In that case, biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Also included in the biological assets are crops in the growing stage that have not yet reached the harvesting point. They are classified as current assets. Since the fair value cannot be reliably measured, they are measured at historical cost less accumulated depreciation and accumulated impairment losses.

Fruit, olive, and palm trees are considered productive plants and are therefore presented and accounted for as property. However, the fruits that grow on these trees are accounted for as biological assets until the date of harvest. Agricultural costs related to these fruit-bearing trees, such as water expenses, labor costs, fertilizers, and pesticides, are charged as biological assets until the end of the harvesting period.

Seasonal crops such as wheat, potatoes, and other field crops are accounted for as biological assets until the date of harvest.

4/8 Investments in Companies by Equity Method

The associate company is an entity over which the group exerts significant influence. Significant influence is the ability of the group to participate in the financial and operating decisions of the investee company but does not constitute control or joint control over these policies.

The results, assets, and liabilities of associate companies are included in these consolidated financial statements using the equity method, whereby the investment in the associate company is initially recorded at cost in the consolidated statement of financial position.

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

4/8 Investments in Companies by Equity Method (Continued)

The cost is then adjusted to reflect the group's share of the associate's profit or loss and other comprehensive income. When the group's share of losses in the associate company exceeds its ownership interest in the associate company (which includes any long-term ownership interest that is part of the group's net investment in the associate company), the group ceases to recognize its share of further losses. Additional losses are only recognized to the extent that the group has incurred legal or contractual obligations or made payments on behalf of the associate company. If the associate company subsequently records profits, the group resumes recognizing its share of these profits only when its share of profits offsets its share of unrecognized losses.

The group accounts for its investment in the associate company using the equity method from the date on which the investee company becomes an associate. Upon acquisition of the investment in the associate company, any increase in the investment cost above the group's share of the fair value of the identifiable assets and liabilities of the investee company is recognized as goodwill and included in the carrying amount of the investment. Any increase in the group's share of the fair value of the identifiable assets and liabilities of the associate company over the investment cost after reassessment is immediately recognized in the consolidated statement of profit or loss in the year of the investment acquisition.

When one of the group's companies transacts with an associate company, the profits and losses resulting from this transaction are recorded in the consolidated financial statements of the group only to the extent of its ownership in the associate company that is not related to the group.

4/9 Intangible Assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets internally generated, except for development costs, are not capitalized, and expenses are recognized in the statement of profit or loss as incurred. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives.

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the group, and the expenditure can be measured reliably.

Residual values of intangible assets, useful lives, and indicators of impairment are reviewed at the end of each financial year and adjusted prospectively when necessary.

4/10 Inventory

Inventory, except for damaged items, is evaluated at cost or net realizable value (whichever is lower). Any decline in net realizable value is recognized as an expense during the period in which the decline occurs. Any reversal of the decline is credited to the profit and loss statement during the period in which the reversal occurs. Net realizable value is determined by the estimated selling price of the products during the group's ordinary course of business, less any additional costs expected to complete the product and expenses necessary for marketing, distribution, and sale of the product.

The cost is determined as follows:

Items	Method of Cost Determination:
Raw materials, spare parts, and maintenance supplies	Weighted average
Project under construction	Cost per unit of production for the period based on the proportion of completion in the relevant stage.
Finished goods	<ul style="list-style-type: none">• Cost per unit of production is determined by dividing the total production cost for the period by the outputs of the production available for sale for that period. The cost per unit includes the following:• Cost of raw materials used.• Cost of labor and depreciation of property, equipment and amortization of right of use assets (used in production).• Additional variable and fixed production costs.

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

4/10 Inventory (CONTINUED)

Net realizable value and inventory valuation allowance

Inventory valuation is the process of determining the monetary value of a company's inventory. It typically involves assessing the cost of goods sold, including raw materials, work in progress, and finished goods. This valuation is crucial for financial reporting and decision-making purposes. Typically, inventory is valued at the lower of cost or market value, where market value is the replacement cost or net realizable value, whichever is lower. This ensures that inventory is not overstated on the balance sheet and reflects its true economic value.

Reducing inventory below its verifiable value requires collaboration with the external auditor to ensure that the value of assets is not inflated beyond what is reasonable.

A provision is made for slow-moving, obsolete, and damaged inventory. Damaged inventory is identified and written down during inventory counts. The provision for slow-moving and obsolete inventory is evaluated for each category during inventory counts as part of the financial reporting. The assessment aims to estimate the level of completion of inventory held based on potential sales and market trends.

4/11 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuous use and a sale is considered highly probable. They are measured at the lower of their carrying amount or fair value less costs to sell and depreciation is ceased.

4/12 Cash and cash equivalent

Cash and cash equivalent include cash in banks, demand deposits, and other short-term, highly liquid investments with maturities of three months or less.

4/13 Trade receivables, prepayments, and other debit balances

Trade receivables, prepayments, and current assets are initially recorded at the transaction price less impairment losses in an amount equal to the estimated lifetime credit loss. When the due amounts are uncollectible, they are written off against the impairment losses. Any subsequent recoverable amounts previously written off are credited for impairment losses in the statement of profit or loss.

4/14 Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying values of its tangible and intangible assets for any impairment losses to determine whether there is any indication that these assets have suffered impairment losses. If any indication exists, the recoverable amount of the asset is estimated in order to determine impairment losses (if any). In the case that it is not possible to estimate the recoverable amount of a specific asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, similar group assets are also allocated to cash-generating units, or allocated to the smallest group of cash-generating units for which a reasonable and consistent basis of allocation can be identified. The cash-generating unit to which goodwill has been allocated is tested for impairment annually, whenever there is an indicator of impairment of the unit by comparing the carrying value of the unit with the recoverable amount, including the goodwill. With net recoverable amount of the unit.

Intangible assets with an indefinite useful life are not amortized. Instead, the asset is tested for impairment annually, whenever there is an indication of impairment of the asset.

The recoverable amount is the higher of the fair value of the asset less disposal costs or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow assessment has not been adjusted.

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

4/14 Impairment of Non-Financial Assets (continued)

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than the carrying value, the carrying amount of the asset (or cash-generating unit) is reduced to the recoverable value. Impairment losses are recognized directly in profit or loss.

When subsequently the impairment loss is reversed, the carrying amount of the asset (or cash-generating unit) is increased to the recoverable amount, so that the revised carrying amount does not exceed the value of the asset (or cash-generating unit) if the impairment loss was not accounted for previously. The reversal of an impairment loss is recognized directly in profit or loss. An impairment loss recognized in past periods is not reversed for goodwill in a subsequent period.

4/15 Zakat provision

The Zakat provision is calculated annually in the financial statements according to the regulations of the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia. The Zakat provision is settled in the fiscal year in which the assessment is adopted, and any differences between the Zakat provision and the requirements of International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" are recognized.

4/16 Value-added tax

The group is subject to the value-added tax system, and the tax is calculated as soon as the invoice is issued, the good is delivered or the price or part thereof is received, and the VAT return is submitted on a monthly basis.

4/17 Loans

Loans are recognized initially at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest rate method.

Loans are derecognized from the statement of financial position when the obligation specified in the contract is satisfied, canceled, or expired. Term Loans are classified as current liabilities when they mature in less than 12 months.

4/18 Employee Benefits obligations

The group contributes to the retirement pension and social insurance for its employees in accordance with the Saudi Labor Law.

A) Employees End of Service benefit

End of service benefit is payable to all employees in accordance with the terms and conditions of the group work system, upon the termination of their service contracts. The group obligation to the defined benefit plans is calculated by estimating the value of future benefits due to employees in the current and future periods and discounting the due amount to arrive at the present value.

The group makes assumptions that are used when determining the main components of costs for the purpose of meeting these future obligations. These assumptions are made by an actuary and include those assumptions that are used to determine normal service cost as well as the financing component of the obligation, if any. The qualified actuary calculates the defined benefit obligation using the planned credit unit method.

The revaluation of defined benefit obligations that consist of actuarial gains and losses is recognized directly in the statement of other comprehensive income. The Group determines the net interest expense on defined benefit obligations for the year by applying the discount rate used.

In measuring defined benefit obligations at the beginning of the year and the net defined benefit obligations at the end of the year, any changes in net defined benefit obligations during the year resulting from contributions and payments for obligations are considered. Net interest expense and other expenses related to defined benefit plans are recognized in the statement of profit or loss.

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

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(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES INFORMATION(CONTINUED)

4/18 Employee Benefits obligations (CONTINUED)

B) Short-term employee benefits

Short-term employee benefit obligations are measured on a non-discounted basis and are expensed when the related service is provided.

The obligation is recognized for the amount expected to be paid under a short-term cash bonus payment plan or profit share plan if the company has a legal or contractual obligation to pay that amount as a result of a prior service provided by the employee, and if the value of the obligation can be estimated reliably.

4/19 Government grants

A government grant is recognized when there is reasonable assurance that the company will comply with the terms attached thereto and that the grant will be obtained and any potential liability or potential asset related to it is applied accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The initial measurement at fair value in the statement of profit or loss in the period for which such grants are recognized.

4/20 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the obligation amount. Provisions are determined by discounting the expected future cash flows to settle the present obligation that reflects current market assessments of the time value of money and the risks specific to that obligation (when the effect of the time value of money is material). The discount is recognized in finance costs.

4/21 Revenue

Revenue is recognized when the group fulfills its obligations in contracts with customers in an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. Specifically, the standard provides a five-step approach for revenue recognition:

Step one: identify the contract(s) with customers.

Step two: identify the performance obligations in the contract.

Step three: Determine the transaction price.

Step four: Allocate the transaction price to each performance obligation in the contract.

Step five: Recognize revenue when a performance obligation is satisfied.

Revenue is recognized upon satisfying the performance of contractual obligations, when control over the goods or services is transferred to the customer to be able to use them for the intended purpose and without restrictions or to benefit from the services rendered under the contract.

The group realizes its revenues from the following sources:

- Sales of fruits and vegetables.
- Sales of wheat and wheat derivatives.
- Sales of olive oil and livestock.

Revenue from the sale of any by-products resulting from agricultural or industrial waste is treated as other revenue in the income statement.

Discounts

Additional discounts are granted to customers according to the market conditions and the competitive conditions, so revenue is recognized based on the price specified in the contract or agreed upon with the customer after deducting the specific discounts for each customer, using the accumulated experience to estimate and grant discounts, using the expected value method, Revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur, the contractual obligation is recognized for the expected discounts in the volume of payable amounts to customers in respect of sales made up to the end of the reporting period.

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A SAUDI JOINT STOCK COMPANY

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(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

4/21 Revenue (CONTINUED)

Finance component

The company does not expect the existence of any contracts that exceed the period between the delivery of the products agreed to be sold to the customer and the payment by the customer for one year, so the company does not adjust any of the transaction prices by the time value of money.

4/22 Expenses

Selling and marketing expenses include direct and indirect expenses that are not part of the cost of revenue. Selling and marketing expenses are those expenses related to selling activity and goods delivery, in addition to all other expenses related to marketing.

General and administrative expenses include direct and indirect costs which are not a specific part of the operating activities, including salaries, other employee benefits, rents, consulting services fees, telecommunications expenses, and others. A common expense is allocated between the cost of revenue, selling and marketing expenses, and general and administrative expenses, if necessary, on a consistent basis.

4/23 Segment reports

The main activity of the group consists of segments that include agricultural production, manufacturing, and marketing of plant products. Operating segments are major components of the group that engages in business activities from which it may earn revenues and incur expenses. All operating results of the operating segments are reviewed regularly by the group chief operating decision-makers. Decisions are made regarding the resources allocated to the segments, their performance evaluation, whose detailed financial information is available.

4/24 Earnings per share

Basic and diluted earnings per share are calculated by dividing:

- Net income attributable to the group ordinary shareholders.
- Weighted average number of ordinary shares issued and outstanding during the year.

No ordinary shares have been issued by the group therefore the basic and diluted earnings per share are the same.

5- USE OF JUDGMENT, ESTIMATES, AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the amounts related to revenues, expenses, assets, and liabilities, and the disclosure of potential liabilities on the date of preparing the financial statements. However, the uncertainty involved in these assumptions and estimates may lead to significant adjustments to the carrying amount of assets or liabilities that may be affected in future periods.

Judgment

While applying the group accounting policies, management has made the following judgments that have a material impact on the amounts recognized in the consolidated financial statements:

Estimates and Assumptions

The following are the main assumptions related to future sources and other sources that cause uncertainty about estimates at the date of preparing the financial statements, and with which there are significant risks associated that may cause significant adjustments to the carrying values of assets and liabilities in subsequent financial periods. The company relied, in its estimates and assumptions, on the available information when preparing the financial statements. However, circumstances and assumptions about future developments may change according to changes in the market or circumstances arising outside the Group's control. These changes are reflected in the assumptions as they occur.

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷻ" UNLESS OTHERWISE STATED)

5- USE OF JUDGMENT, ESTIMATES, AND ASSUMPTIONS (CONTINUED)

A) Provision for expected credit losses

The expected credit loss provision is determined by reference to a set of factors to ensure that receivable balances are not overvalued as a result of the probability that they will not be collected, based on aging from the initial date of recognition to measure expected credit losses.

Accounts receivable have been grouped based on common credit risk characteristics and the aging per days. The expected loss rates are derived from the group historical information and adjusted to reflect the expected future outcome, which includes any future information on macroeconomic factors such as inflation and GDP growth rate. The main assumptions are disclosed in note no. (27)

B) Provision for slow-moving inventory

The company determines the provision for slow-moving inventory based on historical experience, the expected turnover of the inventory, inventory aging and inventory current condition, and current and future expectations of sales. The assumptions underlying when determining the provision for inventory obsolescence include future sales trends, projected inventory requirements, and the inventory components needed to support future sales and offers. The Company's estimates of the provision for inventory obsolescence may differ substantially from period to period as a result of changes in product offers related to inventory.

C) Useful lives of property, machinery, equipment, and intangible assets

The company's management determines the estimated useful lives of property, machinery, and equipment for calculating depreciation. These estimates are determined after considering the expected usage of the assets or physical wear and tear. The company reviews the residual value and useful lives of these assets annually, depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

D) Impairment of non-financial assets

Non-financial assets are reviewed for any impairment losses due to the decrease in their value whenever the events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized by finding the difference between the carrying amount of the asset and the recoverable amount. The recoverable amount is the fair value of the asset less costs to sell and the value in use, whichever is higher. For the purpose of assessing impairment, assets are grouped to their lowest level where there are identifiable cash flows (cash-generating units). Non-financial assets other than goodwill and those that have been impaired are reviewed for possible reversal of the impairment at each reporting date.

Where the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the carrying amount that has been increased must not exceed the carrying amount that would have been determined, any impairment loss is recognized for the asset or cash-generating unit in prior years. The reversal of impairment loss is recognized as direct income in the statement of profit or loss. Impairment losses on goodwill are not reversed.

E) Employees Defined Benefits Obligations

The cost of employees' end-of-service benefits is determined under the defined unfunded remuneration program that is measured using actuarial valuation. The actuarial valuation includes many assumptions that may differ from actual developments in the future. These assumptions include determining the discount rate, future salary increases, employee behavior, and employee turnover. Due to the complexity of the evaluation and its long-term nature, the specific unfunded bonus obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed once or more per year when necessary. The main assumptions are disclosed in note no. (17).

TABUK AGRICULTURAL DEVELOPMENT COMPANY

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FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

5- USE OF JUDGMENT, ESTIMATES, AND ASSUMPTIONS (CONTINUED)**F) Right-of-use assets and lease liabilities**

Lease liabilities are measured at the discounted value of the lease payments, using the incremental borrowing rate as it is not readily possible to Determination of the interest rate implicit in the lease, which is generally applicable to the Group's leases. Incremental borrowing rate It is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset In a similar economic environment with similar terms, guarantees and clauses.

In determining the incremental borrowing rate, the Group uses recent financing offers received by the Group from third parties as a point, adjusted to reflect changes in financing terms.

G) Provision

Provisions, by their nature, rely on estimates and evaluations to ascertain whether the evidentiary criteria, including an estimate, have been met the probability of cash outflows. Management's estimates of provisions for environmental matters are based on cost estimation, after consideration Consider, legal advice and other information currently available. It also includes provisions for termination benefits and costs Exit, if any, in addition to the management's judgment in estimating the expected outgoing cash flows for termination payments and closing Location or other exit costs. Provisions for contracts whose costs are greater than benefits or uncertain liabilities include Management's best estimate of whether the cash outflows are likely.

j) Biological assets

Biological assets shall be measured at fair value less costs to sell from the date of initial recognition of such biological assets up to the time harvest. Due to the lack of activity in Saudi Arabia and lack of observable market data, the management used some assumptions that are significant in arriving at the fair valuation of biological assets at each reporting date.

z) Investments in equity instruments

For all equity investments, the Group evaluates those financial assets that are measured at fair value, whether Gains and losses are recognized either in net income ("fair value through statement of income") or other comprehensive income ("fair value through statement of income"). through other comprehensive income") by an irrevocable election at the time of initial recognition.

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6- PROPERTY, PLANT AND EQUIPMENT, NET

	<u>Lands*</u>	<u>Buildings and construction</u>	<u>Machinery and equipment****</u>	<u>Wells and irrigation equipment</u>	<u>Cars and trucks</u>	<u>Bearer plants</u>	<u>Furniture and fixture</u>	<u>Project under construction***</u>	<u>Total</u>
Cost									
As of 1 January, 2024	43,220,600	319,248,009	138,834,838	189,684,480	22,567,465	74,733,692	10,937,530	27,782,144	827,008,758
Additions	-	-	97,666	-	82,450	-	4,318	2,052,716	2,237,150
Transfers from projects under construction to PPE	-	-	-	2,426,264	-	14,864,001	-	(17,290,265)	-
Disposal	(270,600)	(282,839)	(1,845,984)	(517,334)	(1,513,917)	(4,228,486)	(493,020)	-	(9,152,180)
Transferred to assets from discontinued operations**	-	(20,882,881)	(9,159,620)	-	-	-	(77,398)	-	(30,119,899)
As of 31 December, 2024	42,950,000	298,082,289	127,926,900	191,593,410	21,135,998	85,369,207	10,371,430	12,544,595	789,973,829
Additions	-	-	36,068	-	-	-	16,031	1,271,553	1,323,652
Transfers from projects under construction to PPE	-	-	-	1,317,872	-	-	-	(1,317,872)	-
Disposal	-	-	-	-	-	-	-	-	-
31 December 2025	42,950,000	298,082,289	127,962,968	192,911,282	21,135,998	85,369,207	10,387,461	12,498,276	791,297,481
Depreciation									
As of 1 January 2024,	-	221,704,136	134,930,372	179,858,047	20,561,429	46,725,930	10,524,317	-	614,304,231
Additions	-	7,908,427	3,412,338	3,080,654	563,292	5,021,409	156,414	-	20,142,534
Disposal	-	(282,835)	(1,797,656)	(479,157)	(1,438,634)	(4,228,486)	(493,020)	-	(8,719,788)
Transferred to assets from discontinued operations**	-	(6,026,721)	(10,731,479)	-	-	-	(104,527)	-	(16,862,727)
As of 31 December, 2024	-	223,303,007	125,813,575	182,459,544	19,686,087	47,518,853	10,083,184	-	608,864,250
Additions	-	3,250,733	536,378	5,937,246	393,464	4,895,818	117,710	-	15,131,349
Disposal	-	-	-	-	-	-	-	-	-
As of 31 December, 2025	-	226,553,740	126,349,953	188,396,790	20,079,551	52,414,671	10,200,894	-	623,995,599
Impairment									
As of 31 December, 2024	-	-	-	-	-	-	-	-	-
Additions ****	-	7,227,368	162,982	456,152	106,745	3,329,783	18,852	3,377,622	14,679,504
As of 31 December, 2025	-	7,227,368	162,982	456,152	106,745	3,329,783	18,852	3,377,622	14,679,504
Net book value									
As of 31 December, 2025	42,950,000	64,301,181	1,450,033	4,058,340	949,702	29,624,753	167,715	9,120,654	152,622,378
As of 31 December, 2024	42,950,000	74,779,282	2,113,325	9,133,866	1,449,911	37,850,354	288,246	12,544,595	181,109,579

TABUK AGRICULTURAL DEVELOPMENT COMPANY

A SAUDI JOINT STOCK COMPANY

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(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

6- PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

* Lands with a book value of ﷲ 43 million were mortgaged to the Agricultural Development Fund as security for the loan granted to the Group (Note 18).

**On 25 September 2024, the General Assembly Meeting approved Tabuk Agricultural Development Company's exit from Massadr Agriculture Feed Company. Subsequently, the property, plant, and equipment of Massadr Agriculture Feed Company were reclassified in the consolidated financial statements under the Assets from Discontinued Operations (Note 15), in accordance with International Financial Reporting Standard (IFRS 5).

*** Projects under construction mainly represent additions during the year to wells and irrigation systems (2024: ﷲ 14,86 million, representing additions to non-fruit trees).

**** Machinery and equipment include the assets of the Masader Agricultural Feed Company. (Subsidiary Company), whose net book value amount to ﷲ 13,26 million and is mortgaged in favor of the Saudi Industrial Development Fund as a guarantee for the loan granted.

***** As at 31 December 2025, management engaged an independent external expert to review the Group's cash-generating units (CGUs) impairment model. Based on this, the recoverable amount was determined at ﷲ 152,62 million as at 31 December 2025, calculated using a value-in-use approach through a discounted cash flow model, applying a discount rate that reflects the weighted average cost of capital, as fair value less costs of disposal could not be measured reliably. Based on the results of this analysis, and by comparing the recoverable amount with the carrying amount of the CGUs, management recognized a total impairment provision of ﷲ 14,68 million. Management believes that any reasonably possible change in the assumptions used may result in the recoverable amount of the cash-generating units falling below their carrying amount.

6/1 Depreciation expense was allocated among the following items:

	Note	31 December 2025	31 December 2024
Cost of sales	22	10,006,695	11,721,889
Selling and distribution expenses	23	983,451	1,443,825
General and administrative expenses	24	1,645,739	1,965,026
Cost of production of biological assets		2,495,464	5,011,794
		15,131,349	20,142,534

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

7- INVESTMENTS
7/1 Investments in companies through equity method

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

		Balance as of 1	Group shares	Capital	Group's share of	Group's share	Balance as of 31
31 December 2025	Shareholding	January	from profit or	Reduction	other	of other	December
			loss		comprehensive	foreign	
					income	exchange	
						translation	
Horizon Food Company (Note 7/1/1)	39.99%	121,600,000	2,417,433	-	(126,993)	-	123,890,440
Rakhaa Agricultural Investment and Development Company (Note 7/1/2)	21.61%	8,279,705	2,181,041	-	(131)	197,253	10,657,868
East Asia Agricultural Development and Investment Company (Note 7/1/3)	28.57%	1,505,608	9,768,988	(7,342,515)	-	-	3,932,081
Gulf Sustainable Energy Technology Company (Note 7/1/4)	50%	-	-	-	-	-	-
		131,385,313	14,367,462	(7,342,515)	(127,124)	197,253	138,480,389

		Balance as of 1	Group share from	Impairment in the	Group's share of	Group's share	Balance as of 31
31 December 2024	Shareholding	January	profit or loss	value of	other	of other	December
				investment	comprehensive	foreign	
					Loss	exchange	
						translation	
Horizon Food Company (Note 7/1/1)	40%	189,382,303	3,853,370	(71,490,803)	(144,870)	-	121,600,000
Rakhaa Agricultural Investment and Development Company (Note 7/1/2)	21.61%	12,112,966	1,302,872	-	-	(5,136,133)	8,279,705
East Asia Agricultural Development and Investment Company (Note 7/1/3)	28.57%	-	1,505,608	-	-	-	1,505,608
Gulf Sustainable Energy Technology Company (Note 7/1/4)	50%	-	-	-	-	-	-
		201,495,269	6,661,850	(71,490,803)	(144,870)	(5,136,133)	131,385,313

TABUK AGRICULTURAL DEVELOPMENT COMPANY

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7- INVESTMENTS (CONTINUED)**7/1 Investments in companies using the equity method (CONTINUED)****7/1/1 Horizon Food Company (CONTINUED)**

On September 3, 2023, the Board of Directors announced that Tabuk Agricultural Development Company had lost control over Horizon Food Company, based on Horizon Food Company's announcement on August 6, 2023, regarding the resignation of the Chairman and two board members. From that date, the Group lost control over the subsidiary, and it was classified as an associate using the equity method. Consequently, the assets and liabilities of Horizon Food Company have not been consolidated in the Group's consolidated financial statements from that date. Any retained investment in the former subsidiary is recognized at its fair value on the date control was lost, and the difference between the carrying amount and fair value at the date control was lost is recognized in profit or loss.

As at September 30, 2023, the amounts were as follows:

<u>Fair value per shares</u>	<u>Number of shares</u>	<u>Total amount</u>	<u>Book value for share</u>	<u>Number of shares</u>	<u>Total amount</u>	<u>Different</u>
58.5	3,200,000	187,200,000	12.11	3,200,000	38,759,088	148,440,912

The following is a summary of the Group's share as of December 31, 2023:

<u>Description</u>	<u>Amount</u>
Group's share of results from October 1 to December 31, 2023	2,182,303
Investment value as of September 30, 2023	187,200,000
	<u>189,382,303</u>

During the year 2024, it was note that there was a significant decline in the share price of Horizon Food Company compared to the share price on the date of losing control, as the share value on 31 December 2024 amounted to ﷲ (38) compared to the share price on the date of losing control, which was ﷲ 58.5. Although according to the financial statements of Horizon Food Company, there are no indicators of a decrease in performance, according to Paragraph No. 41C of International Accounting Standard No. 28, which indicated that a significant or prolonged decline in the fair value of an investment in an equity instrument below the cost of the investment is objective evidence of a decline in value, as the decline began during the year. According to Paragraph No. 42 of International Accounting Standard No. 28, the book amount must be compared with the value in use or the fair value less costs of disposal, whichever is higher. The Group evaluated the value in use, and the study indicated that the fair value is higher, according to the study prepared by an independent expert certified by the Saudi Authority for Accredited Valuers (Taqeem) which is a partner for assessing economic establishments license No 3912000018. The following table shows the calculation of the impairment loss recognized in profit or loss for the year ended December 31, 2024:

<u>Number of shares</u>	<u>Share price</u>	<u>Total amount</u>	<u>Net book value</u>	<u>Decrease in value</u>
3,200,000	38	121,600,000	193,090,803	71,490,803

On 22 May 2025, the Company obtained a loan of ﷲ 15 million, secured by pledging 800,000 shares of Horizon Food Company owned by the Group.

On 16 September 2025, 234 shares of Horizon Food Company were sold, reducing the total number of shares held by the Group to 3,199,766 shares, representing a 39.99% ownership stake.

On 15 February 2026, according to a meeting of the Board of Directors of Tabuk Agricultural Development Company, approval was granted to sell part of the Group's shares in Horizon Food Company, amounting to 1 million shares at a price of not less than ﷲ 35 per share. As of 26 March 2026, subsequent to the reporting date, 542,750 shares were sold for a total consideration of ﷲ 18,996 million.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

7- INVESTMENTS (CONTINUED)

7/1 Investments in companies using the equity method (CONTINUED)

7/1/2 Rakhaa Company for Agricultural Investment and Development

The Group owns an investment of 27.8% and an amount of ﷲ 17,50 million in Jannat Agricultural Investment Company - a Saudi limited liability company - under liquidation. The Group previously recognized all losses with the total value of the investment.

- Jannat Agricultural Investment Company owns a 78% from the capital of Rakha Company for Agricultural Investment and Development - Egyptian joint stock company - and due to the liquidation procedures, the company waived its 78% in favor of the partners, and the shares were transferred in their names, according to his share, and accordingly the Group's ownership became 21.61% share Directly in Rakha Company for Agricultural Investment and Development.

- During 2009, Rakha Company for Agricultural Investment and Development obtained a loan in the amount of ﷲ 100 million, with guarantees provided by the partners in Jannat Agricultural Investment Company. Due to the deficit in the financial statements and the inability of Rakha Company for Agricultural Investment and Development to pay, the Group recorded its share in the loan against the guarantee provided to the Saudi Fund for Development in the amount of ﷲ 16,47 million.

During 2022, the shareholders of Rakha Company for Agricultural Investment and Development agreed to transfer the loan balance credited with the records of Rakha Company for Agricultural Investment and Development to become a loan of shareholders without any financial returns and by Egyptian pounds and to extinguish the accumulated losses of the company with a loan of support, the General Assembly of Rakha Company for Agricultural Investment and Development was convened and approved by the General Assembly on 18 July 2022.

On 15 August 2023, the Board of Directors of the company unanimously decided to utilize an amount of 207,401,325 Egyptian pounds to increase the company's capital, consisting of the earmarked amount allocated under the capital increase account of 10,902,266 Egyptian pounds and the financing from shareholders amounting to 196,499,059 Egyptian pounds. Accordingly, management included the current account within the cost of investment as a contribution under investments in associates accounted for using the equity method.

On 30 December 2024, pursuant to a debt assignment agreement, the Saudi Fund for Development approved the request of the shareholders of Rakhaa Agricultural Investment and Development Company to transfer the debt to the shareholders instead of the company. Accordingly, the balance relating to Tabuk Agricultural Development Company's share, amounting to ﷲ 16.47 million, was reclassified from a provision for loan guarantees relating to an associate to loans.

According to the Board of Directors meeting held on 17 November 2025, it was unanimously approved to transfer an amount of ﷲ 5 million from the "Shareholder Financing" item to the shareholders of the company according to each shareholder's ownership percentage in the company's capital, with the equivalent amount in Egyptian Pounds. The remaining balance will be used for a share capital increase, subject to the decision of the Economic Performance Authority regarding the company's ability to utilize the "Shareholder Financing" balance for increasing the capital.

7/1/3 East Asia Agricultural Development and Investment Company

* East Asia Agricultural Development and Investment Company was established on 7 May 2013 in the Kingdom of Saudi Arabia with a share capital of ﷲ 70 million. The Company's activities include agricultural investment and the development of agricultural projects for the production of crops, grains, rice, barley, fruits, olives, fodder, and all agricultural products and field crops, as well as the establishment, operation, and maintenance of food processing factories. It also undertakes livestock production projects, including breeding of livestock and poultry, and the establishment and operation of dairy, meat, and feed production facilities. During prior years, the Group recognized expected credit losses on its share of the balance due from related party of East Asia Agricultural Development and Investment Company, amounting to ﷲ 45,50 million, of which the Group's share amounted to ﷲ 12,99 million.

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(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

7- INVESTMENTS (CONTINUED)**7/1 Investments in companies using the equity method (CONTINUED)**

On 8 May 2024, an amount of ﷲ 8,94 million was collected from the balance due from related party through judicial enforcement, and then a portion of the provision was refunded, representing the Group's share of the amount paid ﷲ 2,55 million.

On 26 May 2025, and 27 May 2025, amounts of ﷲ 34,50 million and ﷲ 2,06 million, respectively, were collected from the balance due from related party through judicial execution. The remaining portion of the previously recognized provision was reversed to reflect the Group's share of the amounts collected, which totaled ﷲ 10,44 million. Consequently, the full outstanding balance of ﷲ 45,50 million was collected, representing the Group's full share of ﷲ 12,99 million.

Pursuant to the resolution of the Extraordinary General Assembly held on 12 August 2025, approval was obtained to reduce the paid-up capital of East Asia Agricultural Development and Investment Company to ﷲ 15 million from ﷲ 70 million. The accumulated losses amounting to ﷲ 29,30 million as at 30 June 2025 were written off. It was also resolved to return the excess amount resulting from the capital reduction to the shareholders, each in proportion to their shareholding, totaling ﷲ 25,70 million. Tabuk Agricultural Development Company's share of this amount amounted to ﷲ 7,34 million, of which ﷲ 2,28 million has been collected. The remaining uncollected balance of ﷲ 5,06 million has been recognized as a receivable from a related party (Note 11).

7/1/4 Gulf Sustainable Energy Technology Company (under liquidation)

**The Group owns a 50% stake in Gulf Sustainable Energy Technology Company (under liquidation) worth ﷲ 250 thousand and impairment losses have been formed in the total value of the investment and the necessary legal procedures for the liquidation of the Company are currently in progress.

- The following is the list of financial position, profits or losses and other comprehensive income of Horizon Food Company, Rakhaa Company for Agricultural Investment and Development and East Asia Agricultural Investment Company as of December 31:

	Horizons Food Company	
	31 December 2025	31 December 2024
Non-current assets	86,122,271	88,605,071
Current assets	43,595,879	35,533,425
Non-current liabilities	(1,911,617)	(1,571,730)
Current liabilities	(10,455,315)	(10,406,105)
Net assets	117,351,218	112,160,661
Revenues	72,927,482	67,935,359
Cost of revenue	(52,173,436)	(46,167,206)
Expenses	(15,245,983)	(12,134,730)
Other comprehensive loss	(317,506)	(362,176)
Total comprehensive income	5,190,557	9,271,247

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7- INVESTMENTS (CONTINUED)**7/1 Investments in companies using the equity method (continued)****Rakhaa Company for Agricultural
Investment and Development**

	31 December 2025	31 December 2024
Non-current assets	30,205,817	26,811,062
Current assets	37,944,907	32,979,650
Non-current liabilities	(1,804,774)	(895,176)
Current liabilities	(12,900,847)	(17,017,010)
Net assets	53,445,103	41,878,526
Revenues	59,527,665	45,580,046
Cost of revenue	(41,866,183)	(35,439,046)
Expenses	(7,568,744)	(4,147,778)
Other comprehensive (loss) / income	(607)	35,802
Total comprehensive income	10,092,131	6,029,024

**East Asia Agricultural Development and
Investment Company**

	31 December 2025	31 December 2024
Non-current assets	-	-
Current assets	26,686,470	8,652,137
Non-current liabilities	(2,159)	(2,159)
Current liabilities	(12,920,055)	(3,380,088)
Net assets	13,764,256	5,269,890
Expenses	(2,370,333)	(2,040,258)
Reversal of Expected Credit Loss	36,563,501	8,946,485
Total comprehensive income	34,193,168	6,906,227

7/2 Summary of the movement on the foreign currency translation reserve

	31 December 2025	31 December 2024
Balance at the beginning of the year	(7,283,311)	(2,147,178)
Charged during the year	197,253	(5,136,133)
Balance at the end of the year	(7,086,058)	(7,283,311)

Foreign currency translation is the translation of the financial statements of Rakhaa Company for Agricultural Investment and Development in the Arab Republic of Egypt.

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7- INVESTMENTS (CONTINUED)**7/3 Investments at fair value through OCI**

Investments at fair value are represented by the value of the Group's investment in equity instruments of the National Seeds Production Company (Buthoor) in the amount of ﷲ 222,400 (2024: ﷲ 1,131,600), which represents 1.4% of the Company's total capital.

Investments in equity instruments were measured at fair value through other comprehensive income and valued using Level 2 of the fair value model in accordance with Financial Reporting Standard 9 (Financial Instruments) and International Financial Reporting Standard 13 (Fair Value Measurement).

7.3.1 The following is the movement on the fair value reserve:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance as of 1 January	718,800	376,720
Unrealized (loss) / gain from revaluation	(909,200)	342,080
Balance as of 31 December	(190,400)	718,800

8- TRADE RECEIVABLE, NET

	Note	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade receivable		16,575,471	16,659,055
Less: Expected credit losses	8/1	(16,182,331)	(12,511,359)
		393,140	4,147,696

8/1 Movement in the Provision for expected credit losses as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	12,511,359	11,524,146
Provided during the year	3,670,972	1,351,244
Transferred to discontinued operations	-	(364,031)
Balance at the end of the year (note 27)	16,182,331	12,511,359

9- INVENTORY, NET

	Note	<u>31 December 2025</u>	<u>31 December 2024</u>
Spare parts and other consumables items		10,050,710	10,825,301
Fruits		6,809,402	9,783,163
Seeds		1,822,664	586,705
Fertilizers and chemicals		979,439	901,150
Wheat		87,363	13,684,709
		19,749,578	35,781,028
Less: Provision for inventory	9/1	(9,715,378)	(15,495,548)
		10,034,200	20,285,480

9/1 Movement of the provision for inventory as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	15,495,548	10,575,118
Impairment of inventory (Note 22)	3,590,353	11,135,843
(Reversal) / provision for slow-moving and obsolete (Note 22)	(468,054)	298,968
Used from of inventory provision	(7,819,715)	(6,514,381)
Write off during the year	(1,082,754)	-
Balance at the end of the year	9,715,378	15,495,548

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10- BIOLOGICAL ASSET, NET

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

	31 December 2025	31 December 2024
Balance at January 1	23,826,006	19,931,841
Biological assets classified as current assets	55,272,827	78,191,026
Transfers to inventory	(59,002,541)	(74,296,861)
Impairment during the year*-Note 22	(20,096,292)	-
	-	23,826,006

Crops are measured at cost less accumulated depreciation or impairment in accordance with IAS 41, based on the inputs used. This approach is applied due to the inability to reliably measure fair value, as there is no active market for farm-grown crops in the Kingdom of Saudi Arabia, planted quantities cannot be determined accurately, and observable market data is limited due to significant differences in location, environment, associated costs, and average yield per crop. Additionally, the discounted cash flow method cannot be applied due to the seasonal nature and variability of these crops.

During the year, an impairment loss of ﷲ 20,096,292 was recognized on biological assets due to the expected inability to generate future economic benefits from these assets, resulting from the absence of a defined agricultural program, ongoing drought periods, fungal disease outbreaks, and heavy pest infestations.

On September 30, 2024, the Group's Board of Directors approved the recommendation of the Strategy and Investment Committee to sell and liquidate the Sheep Project and authorized management to obtain quotations for its sale. The project was sold and liquidated during the year (note 15).

The movement in the Sheep Project as of December 31, 2024, is as follows:

	31 December 2024
Balance as of 1 January	17,514,795
Additions	5,067,956
Cost of sales	(2,198,735)
Impairment during the year-Note 22	(18,010,535)
Ending balance	2,373,481

11- TRANSACTIONS WITH RELATED PARTIES

Related parties are the major shareholders, members of the Board of Directors, senior management personnel in the Group, and entities managed or over which these parties exercise significant influence. The following is a statement of the related parties to the Group:

11/1 Due from related party

Related Party	31 December 2025	31 December 2024
East Asia Agricultural Development and Investment Company	5,060,000	-
	5,060,000	-

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11- TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**11/2 Due to related party**

Related Party	31 December 2025	31 December 2024
East Asia Agricultural Development and Investment Company	5,060,000	-
	5,060,000	-

The significant transactions with related parties are as follows:

Related Party	Related Party	Nature of transactions	Transactions during the year			
			31 December 2025		31 December 2024	
			Debit	Credit	Debit	Credit
East Asia Agricultural Development and Investment Company	Associate	Down 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-Omari Establishment***	Other Related Party	Cash Transactions	-	-	-	4,779,952
Ahmed Hussein Al-Omari***	Non-controlling interest	Cash Transactions	-	-	14,145,473	-
		Share in losses of 2024	-	-	-	1,632,819

* On 8 September 2025, the Company signed a contract for the sale and marketing of agricultural crops (4,000 tons of onions) with East Asia Agricultural Development and Investment Company for a total amount of ﷲ 5,06 million, which was collected in advance on 10 September 2025. The agreement included a condition requiring the Group to market the full quantity within a maximum period of 10 months from the contract date. East Asia Agricultural Development and Investment Company has the right to withhold any amounts due to the Group until the entire quantity is marketed.

** According to the Extraordinary General Assembly meeting of East Asia Agricultural Development and Investment Company held on 12 August 2025, approval was obtained to reduce the paid-up capital from ﷲ 70 million to ﷲ 15 million to offset part of the accumulated losses and distribute the surplus to shareholders. The Group's share of the surplus amounted to ﷲ 7,34 million, of which ﷲ 2,28 million has been collected (Note 7/1/3).

*** The balance was reclassified to discontinued operations following the Ordinary General Assembly approval of Tabuk Agricultural Development Company's divestment from Masader Agricultural Feed Company. Consequently, the assets and liabilities of Masader Agricultural Feed Mill Ltd Company were reclassified in the consolidated financial statements under assets/liabilities of discontinued operations.

11/3 Allowances and remunerations for members of the Board and Executives:

	31 December 2025	31 December 2024
Salaries, remunerations and allowances for members of board committees	2,591,031	4,370,578
Salaries and remunerations for executives	4,009,383	4,481,727

No remuneration was accrued for the members of the Board of Directors and its committees for the period from the beginning of the current Board term on 12 August 2025, until 31 December 2025 (except for attendance allowances and related expenses), in accordance with the Board of Directors' resolution issued on this matter on 15 February 2026.

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12- GOVERNMENT GRANTS

On 7 November 2023, the Group obtained a loan from the Agricultural Development Fund ("the fund") in the amount of ﷲ 50,500 million, The administrative expenses and interest on the loan amounted to ﷲ 2,02 million On 22 May 2025, the Company obtained another loan from the Fund amounting to ﷲ 14,850 million, with administrative expenses and interest totaling ﷲ 750 thousand. The benefit from a government loan provided at an interest rate lower than the market interest rate is recognized as a government grant. The following is a summary of the movement on the balance of government grants:

Total interest according to the loan contract	Total interest at market rate	The difference is represented by the balance of government grants	Amortization during the period in the statement of profit or loss	Balance of government grants on 31 December 2025
2,020,000	6,060,000	4,040,000	(1,851,667)	-
750,000	1,484,440	734,440	(212,623)	521,817

12/1 Financing costs, net, consist of the following:

	31 December 2025	31 December 2024
Financing costs	(3,321,200)	(3,282,500)
Revenue from government grant	2,064,290	2,188,333
Balance at the end of the year	(1,256,910)	(1,094,167)

13- PREPAYMENTS AND OTHER RECEIVABLES, NET

	Notes	31 December 2025	31 December 2024
Employees loans		2,347,442	2,511,257
Advance payments to suppliers		1,440,738	1,807,215
Other		-	75,872
Less: provision for other receivables	13/1	(1,295,849)	(1,672,422)
		2,492,331	2,721,922

13/1- Movement in the provision for other receivables as follows:

	31 December 2025	31 December 2024
Balance at the beginning of the year	1,672,422	10,684,786
Transfer to discontinued operations (Note 15 A/2)	-	(9,012,364)
Provided /(reversal) during the year	(376,573)	-
Balance at the end of the year	1,295,849	1,672,422

14- CASH AND CASH EQUIVALENTS

	Note	31 December 2025	31 December 2024
Cash at banks		1,351,071	1,150,688
Less: Expected credit loss	14/1	(6,890)	(6,890)
		1,344,181	1,143,798

14/1 The movement in expected credit loss is as follows:

	31 December 2025	31 December 2024
Balance at the beginning of the year	6,890	6,890
Provided during the year	-	-
Balance at the end of the year	6,890	6,890

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15- DISCONTINUED OPERATIONS

The following is a summary of the assets and liabilities classified as discontinued:

Discontinued Assets	31 December 2025	31 December 2024
Discontinued assets of Masader Agricultural Feed Company - A*	18,021,908	18,135,634
Discontinued assets of the Sheep Project - B**	-	2,373,481
	18,021,908	20,509,115
Discontinued Liabilities		
Discontinued liabilities of Masader Agricultural Feed Company - A*	21,574,388	21,594,576

* The net discontinued liabilities (net investment) in in Masader Agricultural Feed Company amounted to ﷲ 3,55 million as of 31 December 2025 (2024: ﷲ 3,46 million).

On 25 September 2024, the shareholders of Tabuk Agricultural Development Company approved the divestment and sale of all its shares in Masader Agricultural Feed Company, representing 60% of the total shareholding in the Company, to the partner Ahmed Hussein Al-Omari for a consideration of ﷲ 7 million.

According to the Extraordinary General Assembly held on 10 December 2025, the shareholders approved the cancellation of the above ordinary general assembly decision regarding the divestment from Masader Agricultural Feed Company and authorized the Board of Directors to take any action it deems appropriate in this regard.

A) The following table shows the discontinued operations of the assets and liabilities of Masader Agricultural Feed Company:

	31 December 2025	31 December 2024
Assets		
Property, plant, and equipment, net	13,257,172	13,257,172
Right to use assets, net	81,786	81,786
Inventory, net	1,000	1,000
Due from related parties	4,666,226	4,779,952
Prepayments and other receivables, net	15,724	15,724
	18,021,908	18,135,634
Liabilities		
Lease liabilities - non-current portion	59,055	74,531
Employee-defined benefit obligations	268,014	282,036
Long-term loans - current portion	5,500,000	5,500,000
Lease liabilities - current portion	14,463	14,463
Trade payables	160,049	160,049
Due to related party	12,512,654	12,512,654
Accrued expenses and other payables	2,941,534	2,932,224
Zakat provision	118,619	118,619
	21,574,388	21,594,576

** The net discontinued assets related to the Sheep Project amounted to nil as of 31 December 2025 (2024: ﷲ 2,373,481).

On 30 September 2024, the Board of Directors of Tabuk Agricultural Development Company approved the recommendation of the Strategy and Investment Committee to sell and liquidate the Sheep Project and authorized the executive management to obtain offers for its sale. The project was sold and liquidated during 2025 (Note 10).

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15- DISCONTINUED OPERATIONS (CONTINUED)**B) The following table shows the discontinued operations of the assets on 31 December of the Sheep Project:**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance transferred from biological assets - Note 10	-	2,373,481

The total losses for the year from discontinued operations are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Losses of the year from discontinued operations of the Masader Agricultural Feed Company - C	(134,138)	(4,082,048)
Profit /(Losses) of the year from discontinued operations of the sheep project - D	149,981	(17,616,621)
Profit /(loss) of the year from discontinued operations	<u>15,843</u>	<u>(21,698,669)</u>

C) The following table shows the discontinued operations in the statement of profit or loss and other comprehensive income for Masader Agricultural Feed Company:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Revenues, net	-	212,866
Cost of revenue	-	(3,831,883)
General and administrative expenses	(134,138)	(378,744)
Provision for expected credit losses	-	(103,850)
Other income, net	-	19,563
Loss for the year from discontinued operations	<u>(134,138)</u>	<u>(4,082,048)</u>

D) The following table shows the discontinued operations in the statement of profit or loss and other comprehensive income for the sheep project:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Revenues	2,758,131	2,592,649
Cost of revenue	(2,608,150)	(2,198,735)
Impairment of biological assets from revaluation	-	(18,010,535)
Profit/(loss) of the year from discontinued operations	<u>149,981</u>	<u>(17,616,621)</u>

16- OTHER RESERVES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Agreeable reserve*	1,823,003	1,823,003
Emergency reserve	35,731	35,731
	<u>1,858,734</u>	<u>1,858,734</u>

* The agreeable reserve is a reserve that is formed based on the decision of the Ordinary General Assembly, and not be used except by a decision of the Extraordinary General Assembly. In case this reserve is not formed for a specific purpose, the Ordinary General Assembly may be close it based on a recommendation from the Board of Directors, decide to spend it for the benefit of the Group or the shareholders and this reserve was built since more than 10 years ago.

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17- EMPLOYEES DEFINED BENEFITS OBLIGATION

The movement in the net defined benefit obligation:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	14,821,030	14,320,590
Transfer to discontinued operation (note 15)	-	(282,036)
Included in the Statement of profit or loss		
Current service cost and Interest cost	2,189,445	2,353,609
Included in the other Comprehensive Income		
Actuarial gains	(3,996,476)	(375,134)
Cash movement		
Benefits paid	(384,379)	(1,195,999)
Balance at the end of the year	<u>12,629,620</u>	<u>14,821,030</u>

The basic actuarial assumptions in calculating the present value of defined benefit obligations for employees are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate	5%	5,50%
Salary increase rate	8%	8%

Impact on defined benefit obligation

	<u>Change in assumptions</u>	<u>Increase in assumptions</u>	<u>Decrease in assumptions</u>
Discount rate	1%	12,142,531	13,170,048
Salary increase rate	1%	13,149,179	12,151,192

Movement in accumulated changes in other comprehensive income:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	(165,415)	(395,679)
Gain /(Loss) from revaluation of employee benefits obligations*	3,869,352	230,264
Balance at the end of the year	<u>3,703,937</u>	<u>(165,415)</u>

***The movement in gains/(losses) on remeasurement of employee benefit obligations is as follows:**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Tabuk Agricultural Development Company's share	3,996,476	375,134
The company's share of investments in companies at equity method	(127,124)	(144,870)
Balance at the end of the year	<u>3,869,352</u>	<u>230,264</u>

Expected cash flows over the coming years on an undiscounted basis are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
1 Year	4,813,218	2,433,508
2-5 Years	3,731,609	6,078,689
6 Years and above	7,522,582	14,168,807

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18- LOANS

Loans consist of the following:

	Note	31 December 2025	31 December 2024
Agricultural Development Fund	18/1	66,770,385	51,185,292
Saudi Fund for Development	18/2	16,475,420	16,475,420
		83,245,805	67,660,712

The loans presented in the financial position as follow:

	31 December 2025	31 December 2024
Non-current portion	14,553,385	3,381,366
Current portion	68,692,420	64,279,346
	83,245,805	67,660,712

18/1 On 7 November 2023, the Company obtained a loan from the Agricultural Development Fund amounting to ﷲ 50,500 million, which was fully drawn to finance the Company's operating activities. The loan was secured by land title deed No. 550107011639, classified under property, plant and equipment. The loan was repayable in a single installment on 7 November 2025; however, it was not settled on the due date. The Company is currently in discussions with the Fund to reschedule this loan.

The Company also obtained a loan from the Agricultural Development Fund on 22 May 2025 amounting to ﷲ14,850 million, which was fully drawn to finance the Company's operating activities. The loan was secured by land title deed No. 160002826436, classified under property, plant and equipment, and by pledging 800,000 shares from the Company's investment portfolio in Horizon Food Company (an associate - Note 7/1). The loan is repayable in a single installment on 22 May 2027.

18/2 At 30 December 2024 and in accordance with the debt transfer agreement, the Saudi Development Fund approved the request of the shareholders of Rakah Agricultural Investment and Development Company to transfer the indebtedness to the partners instead of the company. Accordingly, the balance representing Tabuk Agricultural Development Company's share of the loan guarantee provision in the associate was reclassified to loans.

19- ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2025	31 December 2024
Accrued expenses	13,856,893	14,692,766
Customers in advance	8,993,255	4,374,783
Shareholders credit balance	8,526,173	8,526,173
Social Insurance	5,195,466	3,532,162
Accrued allowances	2,851,365	3,806,838
Value added Tax	1,651,578	160,772
Other creditors	8,715,138	3,484,144
	49,789,868	38,577,638

20- DIVIDENDS DUE TO SHAREHOLDERS

Dividends due to shareholders represent unpaid dividends from prior years. The following is the movement in dividends due to shareholders during the year:

	31 December 2025	31 December 2024
Balance as of 1 January	22,941,737	22,961,106
Payment during the year	(69,925)	(19,369)
Balance at 31 December	22,871,812	22,941,737

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21- ZAKAT PROVISION**21/1 The main elements of the Zakat base are as follows:**

	31 December 2024	31 December 2024
Addition	291,325,167	201,807,286
Deduction	291,325,167	201,807,286
Zakat Base	-	-
Zakat Provision	-	-

21/2 Provision Movement

	31 December 2024	31 December 2024
Balance at the beginning of the year	4,707,820	5,313,835
Zakat for previous years	-	688,730
Charge for the current year	-	-
Transfer to discontinued operations	-	(118,619)
Paid during the year	(949,331)	(1,176,126)
Balance at the end of the year	3,758,489	4,707,820

21/3 Components of the Zakat base

The principal components of the Zakat base, in accordance with the regulations of the Zakat, Tax and Customs Authority (ZATCA), consist of shareholders' equity, provisions as at the beginning of the year, and adjusted net income, less the net carrying amount of non-current assets and certain other items.

21/4 Zakat Status

The Company has the following Zakat assessments:

Description of the liability	Years	Amount (ﷲ)
Final assessments resulting from appellate committee decisions	2014 to 2018	2,925,684
Final assessments issued by the Zakat, Tax and Customs Authority (ZATCA)	2021 to 2022	806,916
Total		3,732,600

As of December 31, 2025, the total outstanding liability related to the above assessments for the parent company amounted to ﷲ 3,732,600. In addition, Zakat payable by the subsidiaries amounted to ﷲ 25,889.

The Zakat return submitted to ZATCA for the year 2023 was subject to review and examination by the Authority. On July 2, 2025, a clearance notification was received confirming that no adjustments were required.

The Company submitted its Zakat return for the year 2024 based on the financial information provided to its Zakat advisor. No Zakat is payable for that year. The 2024 return is currently under review by ZATCA, and no preliminary or final assessments have been issued to date. Based on the information provided to the Zakat advisor, the estimated Zakat computation for the year 2025 was prepared, which resulted in no estimated Zakat payable.

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(ALL AMOUNTS ARE IN SAUDI RIYALS "ﷲ" UNLESS OTHERWISE STATED)

22- COST OF SALES

	Note	31 December 2025	31 December 2024
Consumables cost		40,547,477	24,762,897
Salaries, wages, and other benefits		13,947,270	12,572,164
Depreciation of property, plant, and equipment	6	10,006,695	11,721,889
Impairment in biological asset	10	20,096,292	18,010,535
Impairment in inventory value *	9/1	3,590,353	11,135,843
Reversal /(provision) for slow-moving inventory and obsolete	9/1	(468,054)	298,968
Spare parts and packing materials		314,534	410,669
Amortization of the right to use assets		-	13,630
Others		3,259,700	4,465,480
Transfer from discontinued operations**	15	(2,608,150)	(24,041,153)
		88,686,117	59,350,922

* The impairment in the valuation of crop stocks at the point of harvest is the difference between the actual cost and the realizable value of the crops after harvest after deducting marketing and storage expenses and any other expenses expected until the sale is completed.

**Discontinuous operations are:

	Note	31 December 2025	31 December 2024
Cost of revenue - Masader Agricultural Feed Company	15	-	(3,831,883)
Cost of revenue -Sheep Project	15	(2,608,150)	(2,198,735)
Impairment in the value of biological assets - Sheep Project	10	-	(18,010,535)
		(2,608,150)	(24,041,153)

23- SELLING AND DISTRIBUTION EXPENSES

	Note	31 December 2025	31 December 2024
Salaries, wages, and other benefits		9,458,501	10,446,844
Packaging		2,406,735	3,528,504
Transportation charges		1,612,310	1,710,976
Depreciation of property, plant, and equipment	6	983,451	1,443,825
Fuel and energy		684,068	561,568
Exhibitions, marketing and advertising		628,900	170,178
Mail and phone		186,008	349,668
Consumable items		145,965	254,669
Other		387,915	1,233,854
		16,493,853	19,700,086

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24- GENERAL AND ADMINISTRATIVE EXPENSES

	Note	31 December 2025	31 December 2024
Salaries, wages, and other benefits		10,822,193	15,765,210
Fees and penalties		2,936,255	-
Remunerations and allowances for the Board of Directors		2,591,031	4,370,578
Professional consulting fees		2,256,363	1,839,825
Depreciation of property, plant, and equipment	6	1,645,739	1,965,026
Fuel, energy, and spare parts		840,443	1,015,867
Public relations and exhibitions		325,041	135,171
Licenses and membership		178,315	138,889
Mail and phone		175,211	252,354
Other		1,861,269	2,339,153
Transfer to discontinued operations	15-C	-	(378,744)
		23,631,860	27,443,329

25- OTHER INCOME, NET

	31 December 2025	31 December 2024
Sale of scrap and consumables	1,309,438	541,287
Revenue from rents	22,394	483,027
Other Revenue	809,951	189,770
Capital gains on disposal of property, machinery and equipment	-	1,729,400
	2,141,783	2,943,484

26- LOSS PER SHARE

	31 December 2025	31 December 2024
Loss attributable to shareholders of the parent company	(95,871,913)	(144,226,008)
Loss attributable to shareholders of the parent company from continuing operations	(95,941,411)	(124,160,158)
Profit / (loss) attributable to shareholders of the parent company from discontinued operations	69,498	(20,065,850)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	39,176,700	39,176,700
Loss per share for shareholders of the parent company	(2.45)	(3.68)
Loss per share for shareholders of the parent company from continuing operations	(2.45)	(3.17)
Earnings /(loss) per share for shareholders of the parent company from discontinued operations	0.002	(0.51)

Basic and diluted loss per share is calculated by dividing the net loss attributable to the shareholders of the Company by the weighted average number of ordinary shares during the year.

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27- FINANCIAL RISK MANAGEMENT**Capital management**

The Group manages its capital to ensure its continuity and maximize return to shareholders by improving the balance between debt and equity. The Group overall strategy remains unchanged from the previous year.

The Group's capital structure consists of equity and debt, comprising share capital, reserves, accumulated losses, and amounts due on borrowings.

Financial instruments categories

	<u>31 December 2025</u>	<u>31 December 2024</u>
Financial Assets		
At Amortized Cost		
Prepayments and other receivables, net	2,347,442	2,511,257
Due from Related party	5,060,000	
Trade receivable, net	393,140	4,147,696
Cash and cash equivalents	1,344,181	1,143,798
	<u>9,144,763</u>	<u>7,802,751</u>
Financial Liabilities		
At Amortized Cost		
Loans	83,245,805	67,660,712
Trade payables	40,645,145	34,730,234
Accrued expenses and other payables	20,092,676	15,817,155
Dividends payable to shareholders	22,871,812	22,941,737
Due to related party	5,060,000	-
	<u>171,915,438</u>	<u>141,149,838</u>

The Group's objective in capital management is to maintain the ability to continue delivering returns to shareholders and benefits to other stakeholders. This involves preserving a strong capital base to support the sustainable development of its operations.

The Group adjusted net liability to net equity ratio is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Total liabilities	241,453,900	208,162,614
Less: cash and cash equivalents	(1,344,181)	(1,143,798)
Net liability	<u>240,109,719</u>	<u>207,018,816</u>
Total Shareholders' Equity	<u>87,217,027</u>	<u>179,985,190</u>
Net liability to shareholders' equity	<u>2.75</u>	<u>1.15</u>

Market risk

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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27- FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk management

Foreign exchange risk arises from fluctuations in the value of financial instruments due to changes in foreign currency exchange rates. Currency risk is concentrated when future commercial transactions and recognized assets and liabilities are denominated in a currency different from that of the Group. The Group is primarily exposed to foreign currency risk on transactions denominated in US Dollars and Egyptian Pounds due to fluctuations in exchange rates. The Group is not exposed to foreign currency risk in respect of the US Dollar, as its functional currency is pegged to the US Dollar. The Group continuously monitors fluctuations in the exchange rate of the Egyptian Pound, and no devaluation of the Egyptian Pound occurred during the subsequent period.

Agricultural risk management:

Severe operational disruption (fire, flood, etc.) The company is prepared to respond to operational disruptions to minimize losses and remain viable. An effective business continuity plan is continually reviewed and adapted for the changing nature of operational disruptions. Risk assessments are continually performed to identify possible events that could cause significant disruption. Risk of business disruption from flood has been removed through farm design. Farm buildings are constructed in areas that don't have flash floods and are also elevated above ground level.

Climate Change

The Group is subject to short-term and long-term climate change related risks. These risks are inherent part of operating agriculture. The Group continually works to reduce the environmental footprint of the business, in part, due to the inherent risks.

Rising fuel costs and the greenhouse gas emissions associated with fuel and electricity consumption have an impact not only on the environment but also on Company's net profit. Climate change also creates risks for agricultural production through droughts, pests, diseases, etc. that pose challenges for sustaining and increasing production levels.

The Group has developed a sustainability strategy, outlining how it will improve its energy performance through efficient energy consumption and generation from sustainable sources. The strategy focuses on solar power generation, water and energy efficiency, sustainable arable farming practices, landfill waste reduction, the Group management has monitored water consumption by installing special meters on wells to monitor water consumption.

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at an amount close to its fair value. The primary responsibility for managing liquidity risk is assigned to the Board of Directors, which has put in place an appropriate framework for managing liquidity risk to manage the company's short, medium, and long-term requirements and liquidity management requirements. The Group manages liquidity risk by maintaining adequate funds by monitoring projected and actual cash flows on an ongoing basis by matching the maturities.

Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available. The concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is the contractual maturities for financial liabilities at the end of the period, which are presented in gross and undiscounted amounts:

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27- FINANCIAL RISK MANAGEMENT (CONTINUED)**Liquidity risk (Continued)**

	Non-deductible contractual cash flows					
	Year or less	Year to 3 years	More than 3 years	Interest accruals for future periods	Total contractual maturity	Total carrying Value
2025						
financial liabilities						
Loans	68,692,420	15,600,000	-	-	-	84,292,420
Trade payables	40,645,145	-	-	-	-	40,645,145
Dividends payable to shareholders	22,871,812	-	-	-	-	22,871,812
Accrued expenses and other payables	20,092,676	-	-	-	-	20,092,676
	152,302,053	15,600,000	-	-	-	167,902,053
2024						
financial liabilities						
Loans	65,311,054	3,381,366	-	-	-	68,692,420
Trade payables	34,730,234	-	-	-	-	34,730,234
Dividends payable to shareholders	22,941,737	-	-	-	-	22,941,737
Accrued expenses and other payables	15,817,155	-	-	-	-	15,817,155
	138,800,180	3,381,366	-	-	-	142,181,546

- Cash flows included in the above accrual analysis are not expected to be due early or in significantly different amounts.

Interest rate risk management

The Group is exposed to limited interest rate risk arising from government borrowings, which are typically granted at fixed or subsidized interest rates. Accordingly, the Group's exposure to fluctuations in market interest rates is not considered significant, and therefore no interest rate sensitivity analysis has been presented.

Credit risk management

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Group has developed procedures to manage credit risk exposure, including assessing customers' credit limits, and monitoring the age of receivables on a permanent basis.

The management also continuously monitors the credit exposure related to its customers and makes provision against the expected credit losses. And adjust their credit limits as needed. Trade receivables and others are mainly due from customers in the local market, and receivables have been shown at their estimated recoverable value. The Group holds cash with banks in local banks with high credit ratings.

A review and fundamental restructuring of key interest rate indicators is currently underway and the Group's management is closely monitoring these changes to assess the potential financial impact on its results in the coming periods.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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27- FINANCIAL RISK MANAGEMENT (CONTINUED)**Trade Accounts receivable**

Customer credit risk is managed by each business unit in accordance with the Group policies and procedures. The Group has a policy of dealing with strong creditworthy parties only. Credit rating information for customers is obtained from independent rating agencies where it is available, and if it is not available, the group uses the available information and its trading records to evaluate its major clients. Credit limits are set for all customers based on internal evaluation criteria.

Trade receivables are interest-free and often have a credit period in line with industry standards. Usually, guarantees are not required, and letters of credit as well, but they can be used under certain circumstances in some markets, especially in less developed markets. The group has no concentration of credit risk as the customer base is equally distributed on both the economic and geographic levels.

The Group reviews the recoverable amounts of each commercial debt on an individual basis at the end of the reporting period to ensure that there is an adequate provision for the non-recoverable amounts. In addition, impairment analysis is also performed at each reporting date based on facts and circumstances existing at that date to determine expected losses due to the time value of money and credit risk. For the purposes of this analysis, receivables are classified into portfolios based on homogeneous receivables. Each portfolio is then evaluated for impairment using the expected credit loss model in accordance with the provisions of the International Financial Reporting Standard No. (9). The calculation is based on a provision matrix in which actual historical data are adjusted appropriately for future projections and prospects. Loss rates are based on the actual experience of credit losses over the past years. Loss rates are then appropriately adjusted to reflect differences between current and historical economic conditions and the group view of economic conditions over the expected life of receivables.

Trade receivables aging at the reporting date is as follows:

	31 December 2025			31 December 2024		
	Total	Impairment Allowance	Expected Credit Loss Ratio	Total	Impairment Allowance	Expected Credit Loss Ratio
Less than three months	281,950	152,994	54%	656,886	-	-
More than three months and less than six months	542,558	457,168	84%	1,850,053	69,481	4%
More than nine months and less than a year	1,439,033	1,260,242	88%	1,841,835	131,597	7%
More than a year	14,311,930	14,311,927	100%	12,310,281	12,310,281	100%
Total	16,575,471	16,182,331		16,659,055	12,511,359	

The maximum credit exposure as of the reporting date of the Group consolidated financial statement is as follows:

Financial assets	31 December 2025	31 December 2024
Cash and cash equivalents	1,344,181	1,143,798
Trade receivables, net	393,140	4,147,696
Due from related party	5,060,000	-
	6,797,321	5,291,494

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27- FINANCIAL RISK MANAGEMENT (CONTINUED)

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:

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

The Group does not have financial instruments measured at fair value except investment at fair value through OCI, Employee defined benefit obligations, and the financial instruments are carried at amortized cost. As of the date of the consolidated financial statements, the fair value of these instruments approximates the amortized cost that has been considered in the financial reports and related disclosures.

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28- SEGMENT REPORTING

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

Operational segment	Activities
Feeds	Manufacturing Feed
Vegetable	Planting Vegetables
fruit	Planting Seasonal fruits
Grains	Grain trading
Other products	Production of olive oil, honey and other products

31 December 2025	Feeds	Vegetable	Fruit	Grains	Other products	Total
Revenue*	3,435,121	2,945,853	10,208,445	17,444,069	1,558,499	35,591,987
Depreciation and amortization	(1,460,385)	(1,252,381)	(4,339,953)	(7,416,060)	(662,570)	(15,131,349)
Net loss for the year	(9,258,149)	(7,939,501)	(27,513,240)	(47,014,298)	(4,200,380)	(95,925,568)
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
31 December 2024	Feeds	Vegetable	Fruit	Grains	Other products	Total
Revenue*	6,537,044	8,383,152	16,084,296	11,246,030	5,103,267	47,353,789
Depreciation and amortization	2,780,614	3,565,880	6,841,659	4,783,641	2,170,739	20,142,534
Net profit for the year	(11,185,923)	(14,344,908)	(27,522,792)	(19,243,748)	(73,561,456)	(145,858,827)
Total Assets	35,289,053	45,254,934	86,828,172	60,709,665	160,065,980	388,147,804
Total liabilities	28,736,205	36,851,514	70,704,988	49,436,445	22,433,462	208,162,614

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

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29- DISMANTLING PROVISION

It represents the value of the obligation arising from the obligation to remove and transfer the irrigation systems, which are built on land that may be deducted by the state. The movement on the provision for removal and transfer is as follows:

	2025	2024
Balance at the beginning of the year	1,277,200	1,277,200
Reverse during the year	79,756	-
Balance at the end of the year	1,356,956	1,277,200

30- GOING CONCERN

The consolidated financial statements indicate that the Group's total accumulated losses amounted to ﷲ 303,28 million, representing 77% of its capital (2024: ﷲ 207.41 million, representing 53% of its capital). The Group's current liabilities exceeded its current assets by ﷲ 176,93 million (2024: ﷲ 115,44 million), and its negative cash flows from operating activities amounted to ﷲ 15,56 million (2024: ﷲ 48.76 million). Management has prepared the Group's consolidated financial statements on a going concern basis, based on the Group's future business plans to generate sufficient positive cash flows to enable it to meet its obligations as they fall due and continue its operations.

Key assumptions and plans adopted by management to support the going concern basis:

The Group has prepared a business plan covering the period up to 2030 and an agricultural plan for 2026. This plan assumes that the Group's ability to continue as a going concern depends on the successful implementation of an operational recovery plan developed by management. This plan includes rehabilitating agricultural assets during 2026, with temporary reliance on trading activities to support revenues, and the gradual resumption of agricultural operations starting from 2027.

The plan also includes improving operational efficiency and reducing costs by shifting to lower-cost energy sources, rationalizing operating expenses, and achieving economies of scale through increased production levels in the future. The Group has taken steps to enhance liquidity by restructuring certain investments and generating cash flows to support the implementation of the operational plan.

The agricultural plan targets the cultivation of the following crops:

Onions over an area of 210 hectares.

Fodder corn over an area of 1,750 hectares.

The plan also includes diversifying income sources and expanding trading activities by focusing on key product categories, including feed, grains, olive oil, and certain types of fruits.

The agricultural plan is partly funded through the potential sale of a portion of the Group's shares in Horizon Food Company. A portion of these shares has already been sold subsequent to the reporting date (Note 7/1/1).

On January 1, 2026, the Company entered into an investment agreement for grape orchards covering an area of 196 hectares for a period of 10 years, extendable by mutual agreement, with a total lease value of ﷲ 23,35 million. Approval was obtained from the Agricultural Development Fund (the "Fund") to lease this land, subject to the condition that the lease proceeds be remitted to the Fund to settle the Company's outstanding obligations.

Management believes that these measures will enable the Company to meet its obligations as they fall due and continue its operations. However, these assumptions are inherently subject to uncertainties related to future events, which may affect the Company's ability to continue as a going concern.

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31- COMPARISON FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. The main reclassifications in the consolidated statement of financial position as of 31 December 31, 2024, are as follows:

Description	Note	As previously reported (ﷲ)	Reclassification (ﷲ)	As reclassified (ﷲ)
Loans	31/1	66,975,420	685,292	67,660,712
Accrued expenses and other payables	31/2	35,569,996	3,007,642	38,577,638
Trade payables	31/1	38,423,168	(3,692,934)	34,730,234

31/1 Represents the reclassification of accrued finance costs amounting to ﷲ 685,292 to loans.

31/2 Represents the reclassification of social insurance payable amounting to ﷲ 3,532,162 and value-added tax amounting to ﷲ 160,772 from trade payables to accrued expenses and other payables.

32- LEGAL CLAIMS

As at the date of these consolidated financial statements, the Company is subject to a number of legal claims filed against it by various parties in relation to certain commercial and contractual matters. The most significant of these include court judgments amounting to approximately ﷲ 25 million, of which an amount of approximately ﷲ 8 million has been settled, while the remaining balance has been recognized within the Group's liabilities.

Management is monitoring these cases and taking the necessary legal actions to address their implications. The Group will continue to monitor developments in these matters and update the related disclosures in future reporting periods in accordance with the applicable regulations and relevant accounting standards.

33- SUBSEQUENT EVENTS

Except for what has been disclosed in Note 7/1/1 regarding the sale of a portion of the Group's shares in Horizon Food Company, and in Note 30 regarding the signing of the grape orchards investment agreement, and further to the alignment of the Company's Articles of Association with the new Companies Law on January 12, 2026, no events have occurred after the reporting date that would require adjustment to or disclosure in these consolidated financial statements other than those already disclosed.

34- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors 12 Shawal 1447 H (corresponding to 31 March 2026).