

Asharqiyah Development Co.

Public Joint Stock Company

Authorized & Paid-Up Capital SR. 300,000,000



الشركة الشرقية للتنمية

شركة مساهمة عامة

رأس المال المصرح به والمدفوع 300,000,000 ريال سعودي



Board of Directors Report

SHARQIYAH DEVELOPMENT CO.

On the Company's Performance and Results for the Fiscal

Year

2025



Directors

Yasser bin Mohammed Al Jarallah

Ali bin Yahya Al Jaafari

Chairman of Board of Directors

Vice Chairman of Board of Directors

(Non-Executive)

(Independent)

Fayez bin Saleh bin Mahfouz

Abdulrahman bin Hassan Al Amoudi

Director

Director

(Executive)

(Independent)

Mohammed bin Ibrahim Al Amer

Director

(Independent)



To the Shareholders of SHARQIYAH DEVELOPMENT CO., May Allah Protect You.

Peace, mercy, and blessings of Allah be upon you.

The Chairman and Directors of the Board of Directors of SHARQIYAH DEVELOPMENT CO. are pleased to present to the Shareholders of the Company the annual report for the fiscal year ended 31 December 2025.

The previous fiscal year ended 31 December 2024 witnessed, in line with the Company's strategy to engage in commercial activities that generate immediate revenue to ensure its continuity and create a base of operations from which to launch the main activities for which the Company was established, the incorporation of a trading company (SADU AL-ARAB TRADING COMPANY) and a logistics services company (AL-WASEET AL-BARRI LOGISTICS SERVICES COMPANY). These companies commenced their pilot operations during the previous year and were supported during the current year 2025, contributing to the realization of revenues exceeding SAR 230 million.

In light of the foregoing, the management aims, through this report, which was prepared under the supervision of the Board of Directors of SHARQIYAH DEVELOPMENT CO., to inform the Shareholders of the Company with the utmost transparency of the achievements realized during the current fiscal year 2025, which shall include the following:

- Achievements of SHARQIYAH DEVELOPMENT CO. during the year 2025.
- Achievements of the subsidiary (SADU AL-ARAB TRADING COMPANY) during the year 2025.
- Achievements of the subsidiary (AL-WASEET AL-BARRI LOGISTICS SERVICES COMPANY) during the year 2025.
- The future vision for the Company and its subsidiaries during the coming years.

The Company, represented by its Board of Directors, members of the sub-committees, executive management, and employees, shall spare no effort in working toward achieving the Company's strategy that fulfills the ambitions of its supportive shareholders. We ask Allah to crown our efforts with success and prosperity.

Sincerely,

The Board of Directors of SHARQIYAH DEVELOPMENT CO.



First: Incorporation and Nature of Activity:

SHARQIYAH DEVELOPMENT CO. was incorporated as a Saudi Joint Stock Company pursuant to Ministerial Resolution No. 406 dated 21 Dhu al-Qi'dah 1406 AH, as a Saudi Joint Stock Company under Commercial Registration No. 2050016477 issued in Dammam on 19 Muharram 1407 AH, corresponding to 21 September 1986, with a capital of SAR 75 million.

On 07 May 2023, an increase in capital by an amount of SAR 225 million was approved, bringing the total to SAR 300 million instead of SAR 75 million. The authorized activities consist of:

- Cultivation of vegetables in greenhouses and cultivation of various open-field vegetables.
- Hydroponic farming for vegetable production.
- Mixed farming (mixed production of crops and animals without specialized production in either).
- Irrigation projects (operation of irrigation systems for agricultural projects) and installation of agricultural greenhouses.
- Support activities for animal production.

Second: Subsidiaries:

In accordance with the Company's strategy aimed at ensuring the realization of operating revenues to guarantee its continuity through activities characterized by rapid revenue generation, the Management deemed it appropriate to achieve this through the incorporation of a new company or the acquisition of an existing company. To this end, the following actions were taken:

1. SADU AL-ARAB TRADING COMPANY:

On 20/02/2024, a limited liability company, 100% owned by SHARQIYAH DEVELOPMENT CO., was incorporated under Commercial Registration No. 1010985337 dated 10/08/1445 AH, corresponding to 20/02/2024. The company engages in wholesale and retail trade and catering activities in frozen and chilled poultry and meat within the regions of the Kingdom through major outlets in the Central, Eastern, and Western regions, in addition to practicing activities related and complementary to the main activity.



2. AL-WASEET AL-BARRI LOGISTICS SERVICES COMPANY:

On 21/07/2024, the acquisition of AL-WASEET AL-BARRI LOGISTICS SERVICES COMPANY (as will be detailed further) was approved, under Commercial Registration No. 1010858339 dated 10/07/1444 AH, for the purpose of:

- Supporting SADU AL-ARAB TRADING COMPANY by providing equipped vehicles and trucks at a suitable cost.
- Leveraging AL-WASEET AL-BARRI COMPANY to expand its activities in third-party leasing and warehouse management.

Third: Achievements of SHARQIYAH DEVELOPMENT CO. and its Subsidiaries:

In this section of the report, we review the most significant achievements of the Company and its subsidiaries, enabling shareholders to evaluate the performance during the year and the future vision.

1. SHARQIYAH DEVELOPMENT CO.

Introduction:

Since the current Board assumed responsibility for managing the Company during the year 2023, a comprehensive strategy has been developed focusing on key pillars from which action plans and executive procedures have been derived. The Management continues its endeavors to complete the implementation of what was previously agreed upon to achieve the following objectives:

- Ensuring the continuity of the Company by diversifying its activities in line with the requirements of the Kingdom's Vision 2030.
- Developing the Company's capital properties to achieve a strong financial position and benefit from the growth in the value of capital investments.
- Maximizing the returns of the Company's activities and its subsidiaries to achieve rewarding returns for Shareholders and compensate for previous failures.
- Positioning the Company among the leading companies in its core business sector.

In this report, we shall present to you a brief overview of the Company's actions to achieve the aforementioned objectives, as follows:



Procedures taken for the ownership of the project land (Government Grant):

Based on the Management's conviction that owning the land granted to the Company by the Ministry of Agriculture, with an area of 72 million square meters in Al-Fadhili, Eastern Province, is a top priority as it represents a core asset for the Company and its shareholders, it has committed to exerting the necessary efforts to achieve this goal. These efforts include the following:

- Obtaining a construction permit for the entire land area for the broiler chicken production project, which the company aims to implement in the coming years. This will further solidify the company's right to own the land.
- Within the framework of the Company's commitment to verifying the integrity of the regulatory procedures related to the Al-Fadhili land, and ensuring the compliance of any contractual arrangements with the Companies Law and relevant governance regulations, Hasafat Al-Taqadi Law Firm was commissioned to prepare a legal opinion on the permissibility of contracting with a law firm to finalize the regulatory procedures related to the land.
- A contract was entered into with Watheeq Al-Ray Law Firm and Legal Consultations to prepare a comprehensive legal study regarding the regulatory status of the Al-Fadhili land. The scope of work included studying the regulatory issues associated with the land, methods of addressing them, and clarifying the extent of the Company's ability to own the land and complete the relevant regulatory procedures. The legal study is currently under preparation, and its results and relevant recommendations will be presented to the Board of Directors immediately upon receipt to take the necessary actions regarding the final settlement of the land in a manner that achieves the Company's interest and preserves its regulatory and financial position.
- Management expects these efforts to yield results and for the land ownership to be finalized during the current year.

Studying the Implementation of Investment Projects that Suit the Nature of the Company's Activity

Previous reports included a review of the investment projects under study in preparation for their implementation. Below, we review the progress made in this regard during the year 2025 and the subsequent period of the current year 2026, as follows:

First: Potato Seed Production Project:



Introduction:

Whereas, our previous reports included reference to the Company's desire to invest in the field of potato seeds in accordance with the latest technologies in this field, reference was made to the importance and justifications for implementing this project, represented in the following:

- Supporting the objectives of the Kingdom's Vision 2030 by increasing the efficiency of agricultural production.
- Achieving self-sufficiency for one of the food crops with high global demand.
- Ensuring the support of the Ministry of Environment, Water and Agriculture, represented by the Agency for Agriculture, which contributes to providing the local and regional market with high-quality potato seeds required by farmers, whether for industrial purposes (potato chips and French fries) or table potatoes; and introducing new varieties characterized by abundant production and resistance to water stress and common diseases.

Project Description

Main Objectives

The Project primarily aims to restore the health of agricultural fields through a product that enjoys uniqueness in comparative advantage and is free from transmitted diseases, through the following sub-objectives:

1. Establishing an integrated system for the production of high-quality potato seeds (Certified Seeds) at all stages of production, by utilizing and employing the best modern, high-efficiency agricultural technologies and practices.
2. Meeting the requirements of the local market for efficient and reliable seeds subjected to inspection during the production and storage stages.
3. Establishing a strong local supply chain for potato seeds.
4. Reducing the import bill, enhancing economic independence, and increasing the efficiency of agricultural production to reach the rates of developed countries.
5. Creating a large and leading market for potato seeds that provides job opportunities for young men and women.
6. Securing a unique comparative advantage for SHARQIYAH DEVELOPMENT CO.



Project Components

1. Tissue Culture Lab
2. Greenhouse Aeroponic System
3. Field cultivation for the production of first-generation seeds (G1)
4. Field cultivation for the production of second-generation seeds (G2)
5. Seed storage facility (Cold Storage)

Strategic Benefits

Economic Growth: This Project will play a vital role in improving economic growth in the local potato cultivation/industry sector by improving production efficiency and reducing reliance on foreign imports.

Scalability: This Project is designed to scale in response to future market requirements and to support long-term agricultural growth.

Societal Impact: This project supports potato farmers in the Kingdom through the ease of obtaining high-quality seeds and working integrally through training on best agricultural practices and providing consultations, which enhances community development and sustainability.

Completed Works Regarding Project Implementation:

During the year 2025, all technical studies were completed by the Project Management Department, as well as the financial and financing studies. The studies proved the economic feasibility of implementing the project in its successive stages and integrated activities.

The Project Management Department was tasked with studying the most suitable areas for implementing the project. More than one area was nominated pursuant to a report from the Project Management Department, with the recommendation that the most suitable areas possessed the following specifications:



Farm Specifications:



1. The farm is located on Baqaa Road, Al-Ma'aba village, approximately 75 km from Hail.
2. The road is asphalted up to the farm gate, and it is located approximately 1 km from the new Saudi-Iraq road.
3. Area: 100,000 m². It has a freehold electronic title deed and an updated agricultural registration from the Ministry of Environment, Water and Agriculture.
4. A soil analysis was conducted at the SABIC Laboratory, which reported that the soil is ideal for cultivation.
5. The farm contains:
 - A modern well with a depth of 700 m, which has been cased; water salinity ranges between 350 and 400 parts per million (PPM).
 - A potato refrigerator with an area of 15 m × 30 m and a height of 4.5 m.
 - An onion refrigerator with an area of 15 m × 30 m and a height of 6 m.
 - An open grain storage warehouse with an area of 15 m × 30 m and a height of 2 m.



- A Zimatic center-pivot irrigation system covering an area of 15 hectares.
 - Residential or office buildings (consisting of two rooms, a kitchen, a bathroom, and a lounge).
 - Labor housing consisting of a kitchen, a bathroom, and a room.
 - A portable caravan (mobile unit) that can be moved and transported, consisting of two rooms, a kitchen, and a bathroom.
 - Citrus trees, numbering approximately 100 productive trees of premium varieties.
 - 160 productive Khalas date palms of premium quality.
 - A circular tank with a capacity of 100 \$m^3\$.
6. Electricity: Electricity has been connected to the farm with a meter capacity of 250 Amperes. Furthermore, the voltage was converted from 220V to 380V by the electricity company.
 7. Price: SAR 2,500,000 (inclusive of Real Estate Transaction Fees).
 8. The contract has been concluded, the value paid, and the title deed transferred in favor of the Company.
 9. For partial utilization, the cultivable portion and the center-pivot irrigation system have been leased for a value of SAR 50,000 per agricultural season.
 10. The Project Management Department, in coordination with the relevant departments, has commenced executive procedures in accordance with the work plan, beginning with the completion of the project's executive blueprints and the commencement of construction and subsequent works.

Second: Broiler Chicken Project:

Our previous reports included reference to Management's conviction regarding the establishment of a broiler chicken production project on the Company's land in Al-Fadhili, intended to be the Company's main project, along with its resulting complementary projects such as the establishment of a slaughterhouse, refrigerated warehouses, and a feed factory. To this end, the Company completed the economic feasibility study, construction plans, and the solicitation of price quotations for the facilities and equipment necessary for the project during the previous year, 2024, and obtained approvals from the official authorities. We have secured all necessary permits, the most recent being the construction permit from the Ministry of Environment, Water, and Agriculture. Additionally, an application has been submitted to the Agricultural Development



Fund to obtain the necessary financial funding to implement 64 poultry houses, representing the first phase of a total of 128 houses.

Due to the financing conditions requiring the project land as collateral, which necessitates owning the land under a title deed and converting the land from a government grant to ownership in favor of the Company, Management has prioritized taking the necessary measures to secure land ownership (as previously mentioned) and subsequently commence project implementation during the forthcoming period.

Third: Acquisition of Lands and Properties:

During the year 2025, and in fulfillment of part of the Company's strategy to invest a portion of available liquidity in the field of Lands and Properties Acquisition, warehouses were purchased and the title deed was transferred in favor of the Company, through which the Company seeks to achieve the following objectives:

1. To increase the Company's assets to support its financial position and benefit from them regarding Zakat considerations.
2. To achieve growing revenues through the leasing of the warehouses.
3. To benefit from the anticipated future increase in land value.
4. To support the activities of the subsidiaries (SADU AL-ARAB TRADING COMPANY - AL-WASEET AL-BARRI LOGISTICS SERVICES COMPANY) due to the alignment of their activities with the requirements of owning warehouses.

Description:	4 existing warehouses.
District:	Al Mishael District
City:	Riyadh.
Land Details (1):	Plot of land No. 61/4/1/3, Plan 1394
Area:	2,531.98 m ²
Land Details (2):	Plot No. 61/4/1/8, Plan 1391
Area:	2,155.09 m ²
Purchase Cost:	SAR 11,287,500

5. The warehouses have been leased at an annual rental value of SAR 1,139,576.



2. Development of the Business of SADU AL-ARAB TRADING COMPANY:

Introduction:

On 20 February 2024, SADU AL-ARAB TRADING COMPANY was incorporated as a limited liability company, wholly owned SHARQIYAH DEVELOPMENT CO., with a capital of SAR 100,000, to achieve the following purposes:

1. To establish a logistical investment arm to achieve flexibility in diversifying activities in accordance with the requirements of investment fields.
2. To direct the Company's activities toward commercial and logistical activities characterized by rapid returns and revenues, such that operating revenues appear in the consolidated financial statements of SHARQIYAH DEVELOPMENT CO. effective from the fiscal year 2024.

Development of Operational Activities for SADU AL-ARAB TRADING COMPANY

Concurrent with the establishment of the Company, SADU AL-ARAB TRADING COMPANY was provided with all forms of financial and logistical support to enable an expedited commencement of operations and the achievement of appropriate revenues, and consequently, operational profits. Support was rendered through the provision of the main requirements for the conduct of business, and actual pilot operations commenced effective 01/06/2024. During the current year 2025, the provision of support to the Company continued, as represented by the following:

1. Bank facility agreements were concluded with more than one local bank with a value exceeding SAR 40 million, granting the Company the right to issue letters of guarantee to suppliers and finance the purchase of procurements from within and outside the Kingdom.
2. Contracts were concluded with major suppliers in light of the capability to provide letters of guarantee; contracts have already been concluded with (Fakieh Company, Al-Watania Company, Al-Akhawain Company, Osoul Company, Almarai, etc.).
3. Accounts were opened for major customers while obtaining adequate guarantees.
4. Focusing in the upcoming phase on catering companies, which allow the Company to obtain a profit margin exceeding 20% and achieve an increase in sales volume.
5. Opening the scope for importation due to its characteristic of increasing the profit margin.



6. Negotiations were conducted with a New Zealand company to obtain an exclusive agency for frozen meat products, and work shall proceed to conclude the contract during the upcoming period, which will represent a qualitative shift for the Company's activities.

As a result of this support, the Company was able to achieve operational revenues during the year 2025 exceeding SAR 233 million, compared to SAR 85 million for the period from 01/06/2024 to 31/12/2024.

AL-WASEET AL-BARRI LOGISTICS SERVICES COMPANY

Introduction:

On 21/07/2024, AL-WASEET AL-BARRI LOGISTICS SERVICES COMPANY was acquired as a wholly-owned property for the benefit of SADU AL-ARAB TRADING COMPANY, including:

- A fleet of vehicles and trucks equipped for refrigerated and frozen land transport to all parts of the Kingdom, including tracking systems.
- A licensed premises equipped for vehicles according to the requirements of the Ministry of Transport, as well as administrative offices.
- Qualified drivers with driving licenses consistent with regulatory requirements, as well as financial and administrative staff.
- A license for the transport of goods on land roads according to the following data:

License Number: 11/00040284

License Type: Main

Issue Date: 21/03/2023

Development of the Company's Operational Activities During the Year 2025 and the Subsequent Period

In accordance with the strategy previously disclosed in our prior reports, the main objective of the acquisition of the Company was to provide logistical support to SADU AL-ARAB TRADING COMPANY and benefit from the reduction of operational costs. During the current year 2025, as well as the subsequent period, and based on a study of the logistics services markets, which proved to management the feasibility of expanding the Company's activities beyond merely supporting



SADU AL-ARAB TRADING COMPANY, the Company has implemented certain measures to maximize returns during the coming years, including:

1. Preparing an internal marketing study for the purpose of identifying the volume and quality of logistical services, particularly in the field of refrigerated and frozen transport.
2. It was resolved to support AL-WASEET AL-BARRI LOGISTICS SERVICES COMPANY with modern vehicles and equip them in a manner consistent with customer requirements.

Vehicle Type	Quantity	Model	Purchase Value	Equipment Value	Total
Isuzu 6 Ton	40	2026	4,113,216	2,960,000	7,073,216
Isuzu 7.5 Ton	10	2026	1,348,306	840,000	2,188,306
Total	50		5,461,522	3,800,000	9,261,522

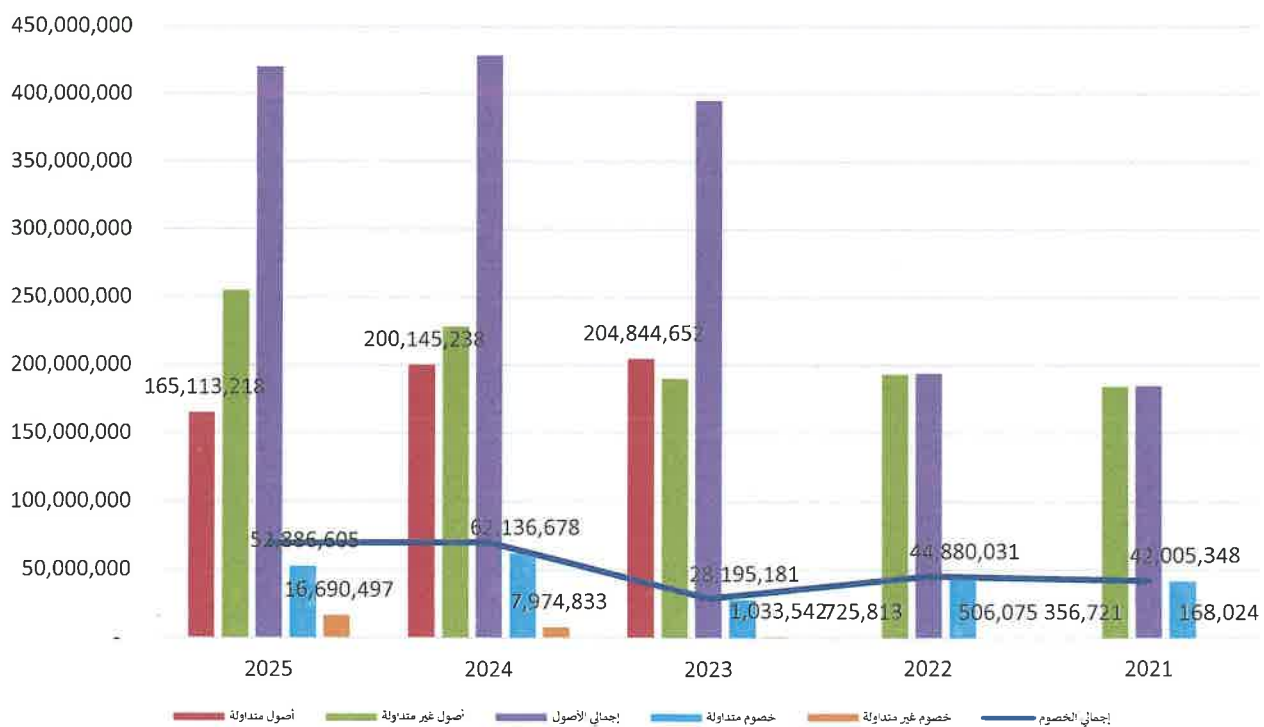
3. Transport agreements were concluded with large companies, including (Imile Company, Amazon Project, Airports Project, Linehaul Project).
4. Negotiations are currently underway with large companies in light of the availability of a vehicle fleet that suits their requirements; expectations indicate the achievement of revenues exceeding SAR 1 million per month.

**Fourth: Financial Analysis of the Company's Financial Statements:****1. Evolution of the Company's Assets and Liabilities during the Last Five Fiscal Years**

In the following table, we present a comparative statement of the Company's assets and liabilities, illustrating the evolution of these assets and liabilities and, consequently, the net asset value of the Company for the years 2021 to 2025, followed by a graphical representation thereof:

Description	2025	2024	2023	2022	2021
Current Assets	165,113,218	200,145,238	204,844,652	725,813	356,721
Non-Current Assets	254,912,197	228,263,740	190,239,673	193,326,643	184,483,408
Total Assets	420,025,415	428,408,978	395,084,325	194,052,456	184,840,129
Current Liabilities	52,886,605	62,136,678	28,195,181	44,880,031	42,005,348
Non-Current Liabilities	16,690,497	7,974,833	1,033,542	506,075	168,024
Total Liabilities	69,577,102	70,111,511	29,228,723	45,386,106	42,173,372

Company assets and liabilities over the last five years

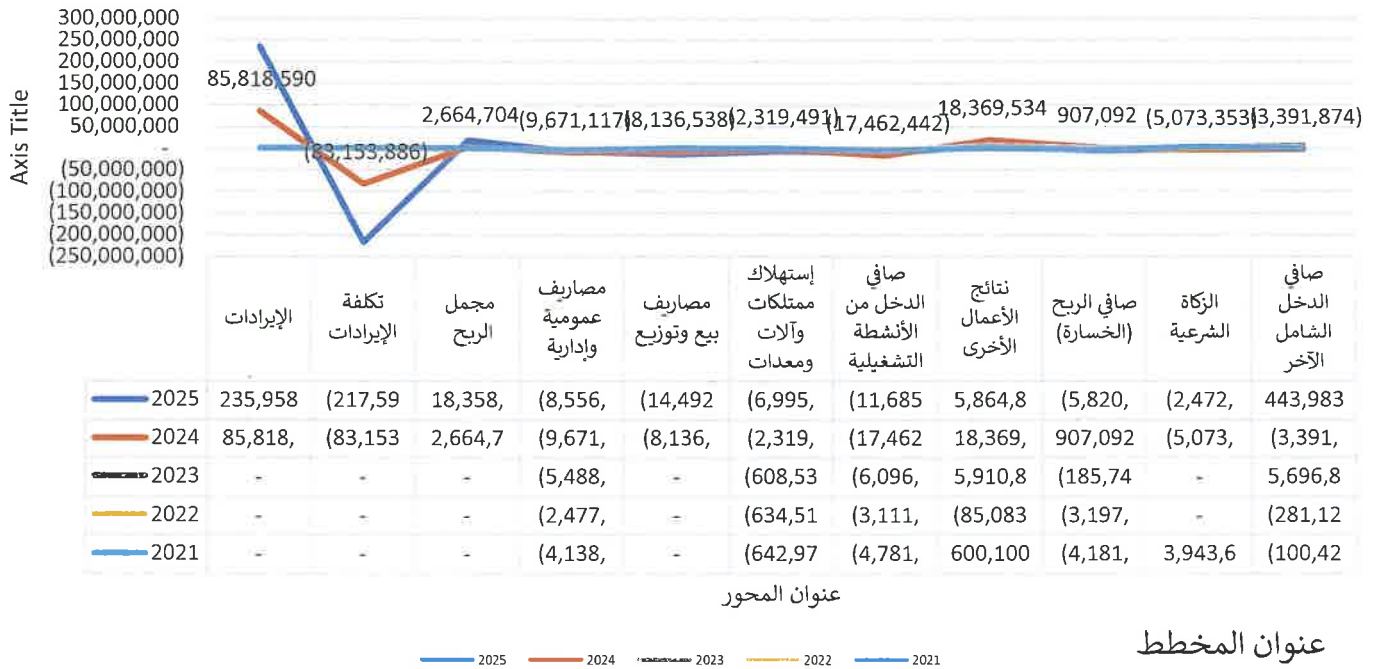


Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities
----------------	--------------------	--------------	---------------------	-------------------------	-------------------



2. Analytical Comparative Income Statements for the Years 2021 to 2025

Description	2025	2024	2023	2022	2021
Revenues	235,958,759	85,818,590	-	-	-
Cost of Revenues	(217,599,861)	(83,153,886)	-	-	-
Gross Profit	18,358,898	2,664,704	-	-	-
General and Administrative Expenses	(8,556,256)	(9,671,117)	(5,488,053)	(2,477,438)	(4,138,152)
Selling and Distribution Expenses	(14,492,281)	(8,136,538)	-	-	-
Depreciation of Property, Plant, and Equipment	(6,995,811)	(2,319,491)	(608,535)	(634,514)	(642,979)
Net Income from Operating Activities	(11,685,450)	(17,462,442)	(6,096,588)	(3,111,952)	(4,781,131)
Other Business Results	5,864,885	18,369,534	5,910,845	(85,083)	600,100
Net Profit (Loss)	(5,820,565)	907,092	(185,743)	(3,197,035)	(4,181,031)
Sharia Zakat	(2,472,572)	(5,073,353)	-	-	3,943,670
Other Net Comprehensive Income	443,983	(3,391,874)	5,696,880	(281,122)	(100,427)
Total Comprehensive Income	(7,849,154)	(7,558,135)	5,511,137	(3,478,157)	(337,788)



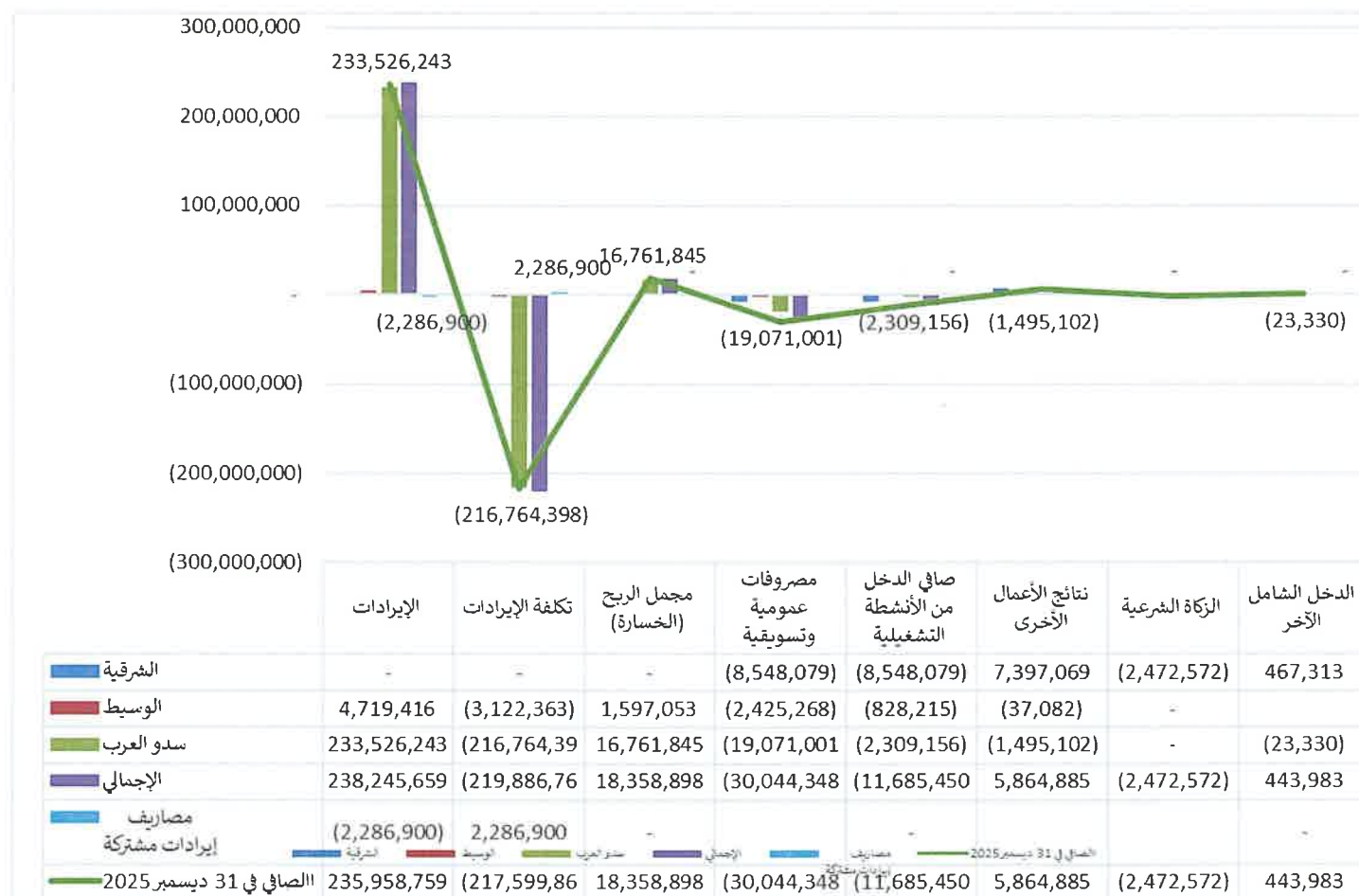


	Revenues	Cost of Revenues	Gross Profit	General and Administrative Expenses	Selling and Distribution Expenses	Depreciation of Property, Plant, and Equipment	Net Income from Operating Activities	Other Business Results	Net Profit (Loss)	Shareholder Zakat	Other Net Comprehensive Income
2025	235,958	(217,59)	18,358	(8,556,	(14,492	(6,995,	(11,685	5,864,8	(5,820,	(2,472,	443,983
2024	85,818	(83,153	2,664,7	(9,671,	(8,136,	(2,319,	(17,462	18,369,	907,092	(5,073,	(3,391,
2023	-	-	-	(5,488,	-	(608,53	(6,096	5,910,8	(185,74	-	5,696,8
2022	-	-	-	(2,477,	-	(634,51	(3,111	(85,083	(3,197,	-	(281,12
2021	-	-	-	(4,138,	-	(642,97	(4,781	600,100	(4,181,	3,943,6	(100,42
Axis Title											
Plan Title	2021			2022		2023		2024		2025	



3. Analytical statement of the income statement of the company and its subsidiaries for the fiscal year 2025

Description	SHARQIYAH	AL-WASEET	SADU AL-ARAB	Total	Shared Revenue Expenses	Net as of December 31, 2025
Revenues	-	4,719,416	233,526,243	238,245,659	(2,286,900)	235,958,759
Cost of Revenues	-	(3,122,363)	(216,764,398)	(219,886,761)	2,286,900	(217,599,861)
Gross Profit (Loss)	-	1,597,053	16,761,845	18,358,898	-	18,358,898
General and Marketing Expenses	(8,548,079)	(2,425,268)	(19,071,001)	(30,044,348)		(30,044,348)
Net Income from Operating Activities	(8,548,079)	(828,215)	(2,309,156)	(11,685,450)	-	(11,685,450)
Other Business Results	7,397,069	(37,082)	(1,495,102)	5,864,885		5,864,885
Sharia Zakat	(2,472,572)	-	-	(2,472,572)		(2,472,572)
Other Comprehensive Income	467,313		(23,330)	443,983	-	443,983
Grand Total	(3,156,269)	(865,297)	(3,827,588)	(7,849,154)	-	(7,849,154)





	Revenues	Cost of Revenues	Gross Profit (Loss)	General and Marketing Expenses	Net Income from Operating Activities	Other Business Results	Sharia Zakat	Other Comprehensive Income
SHARQIYAH	-	-	-	(8,548,079)	(8,548,079)	7,397,069	(2,472,572)	467,313
AL-WASEET	4,719,416	(3,122,363)	1,597,053	(2,425,268)	(828,215)	(37,082)	-	
SADU AL-ARAB	233,526,243	(216,764,39)	16,761,845	(19,071,001)	(2,309,156)	(1,495,102)	-	(23,330)
Total	238,245,659	(219,886,76)	18,358,898	(30,044,348)	(11,685,450)	5,864,885	(2,472,572)	443,983
Shared Revenue Expenses	(2,286,900)	2,286,900	-					
Net as of December 31, 2025	235,958,759	(217,599,86)	18,358,898	(30,044,348)	(11,685,450)	5,864,885	(2,472,572)	443,983

1. Geographical Analysis of the Company's Total Revenues

All operating revenues of the Company generated from its subsidiaries are limited to domestic sales only, through branches and distribution outlets in the Central Region, Western Region, and Eastern Region of the Kingdom.



Summary of the Company's Business Results 2024-2025

Description	For the year ended 31 December		Variation	
	2025	2024	Value	%
Revenue	235,958,759	85,818,590	150,140,169	
Cost of Revenue	(217,599,861)	(83,153,886)	(134,445,975)	
Gross Profit	18,358,898	2,664,704	15,694,194	
Operating Expenses	(30,044,348)	(20,127,146)	9,917,202	204.94%
Operating Loss	(11,685,450)	(17,462,442)	(5,776,992)	1.6115
Other Operating Results	5,864,885	18,369,534	(12,504,649)	200.37%
Net Profit (Loss)	(5,820,565)	907,092	(6,727,657)	10.87
Zakat	(2,472,572)	(5,073,353)	2,600,781	1087.00%
Other Comprehensive Income	443,983	(3,391,874)	3,835,857	1087.00%
Total Comprehensive Income	(7,849,154)	(7,558,135)	(291,019)	10.87



Revenue	Cost of Revenue	Gross Profit	Operating Expenses	Gross Operating Loss	Other Operating Results	Net Profit (Loss)	Zakat	Other Comprehensive Income	Total Comprehensive Income
For the year ended 31 December 2025	For the year ended 31 December 2024	Variation in value							



Comparison of Income Statement items between the financial years 2025 and 2024

2. Through its subsidiaries, the Company achieved operating revenues for the financial year 2025 amounting to approximately SAR 236 million, compared to SAR 85.8 million during the previous year 2024.
3. Through its subsidiaries, the Company achieved a total operating profit exceeding SAR 18 million, compared to SAR 2,664,704 million for the previous year 2024.
4. The Company incurred a net loss before Zakat of SAR 5,820,565, compared to a net profit before Zakat of SAR 907,092 for the financial year 2024.
5. The Company achieved a net comprehensive income (loss) of SAR 7,849,154 for the year 2025, compared to a net comprehensive income (loss) of SAR 7,558,135 for the year 2024.

5. Loans of the Company and its Subsidiaries during 2025

One of the subsidiaries obtained short-term loans from a local bank to finance working capital, repayable in installments. The outstanding balance as of December 31, 2025, was SAR 4.7 million.

6. Independent Auditor's Report

Type of Report: Qualified/Attention

The initial financial results for 2025 were announced based on the auditor's report including an attention to the matter, as no qualification was indicated even during the review of the financial statements by the audit committee. The final report was issued with a qualification and an attention to the matter, as follows:

Qualification:

The intangible assets item included government grants of approximately SAR 171.31 million as of December 31, 2025 and 2024. The company's management did not conduct an impairment test for these assets to determine their impairment in accordance with the requirements of International Accounting Standard 36 – Impairment of Assets. Management estimated the recoverable amount of the intangible assets by preparing a feasibility study. However, this study did not consider the essential elements required when calculating the amount in use, as per paragraphs 30 and 31 of the aforementioned standard. Furthermore, the main assumptions used in the study were not supported by sufficient and appropriate evidence, in accordance with the requirements of the



above-mentioned standard. As above. Accordingly, we were unable to obtain sufficient appropriate audit evidence to assess the recoverability of the carrying amount of these assets, and therefore, we were unable to determine whether it was necessary to recognize the impairment loss or related disclosures as of December 31, 2025, in the consolidated financial statements.

Attention:

We draw attention to Note (25) to the consolidated financial statements regarding the government grant of "agricultural land." On August 2, 2022, the company received the decision issued by the Ministry of Environment, Water and Agriculture on June 30, 2022, which stated that a title deed could not be issued in the company's name, but that the company could benefit from the land until Saudi Aramco's actual need was met. As of the reporting date, we have not received any updates on this matter. Furthermore, management has not been able to determine a productive lifespan for the agricultural land.

Our opinion regarding the above matters has not been modified.

Actions Taken by Management Regarding the Qualification

- Before issuing the final auditor's report, an impairment test of intangible assets (a government grant) was prepared and submitted to the auditor, who indicated a need for 5 to 7 working days to review it. To ensure compliance with the regulatory publication deadline, the final financial statements were issued including the aforementioned qualification.
- A corrective notice was published on the Authority's website in accordance with disclosure requirements.
- The auditor was contacted to complete the review process for the submitted study so that the qualification would be removed from their report in the upcoming interim financial statements.

7- Alignment of the accounting standards used by the Company with International Financial Reporting Standards (IFRS):

There is no variance between the accounting standards utilized by the Company and the International Financial Reporting Standards (IFRS), the application of which commenced within



the Company effective January 2017, pursuant to the directives of the Saudi Organization for Chartered and Professional Accountants (SOCPA). The Company continues to operate in accordance with International Financial Reporting Standards until 31 December 2025.

8- Details of shares and debt instruments for subsidiaries:

SHARQIYAH has no outstanding shares or debt instruments as of December 31, 2025.

9 - Description of the Company's Dividend Distribution Policy:

- ✓ The Ordinary General Assembly, when determining the portion of shares in the net profits, may resolve to form reserves to the extent that serves the interest of the Company or ensures the distribution of stable dividends, as far as possible, the shareholders.
- ✓ The aforementioned Assembly may also deduct amounts from the net profits to achieve social objectives for the Company's employees.
- ✓ The General Assembly shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves, if any.
- ✓ Distributable profits consist of the net income for the financial year, less all amounts set aside for reserves designated for specific purposes in the Company's Bylaws, if any, or those that must be set aside for reserves formed by the General Assembly, plus retained earnings and distributable reserves formed from profits.
- ✓ The nominal value differential item within shareholders' equity shall not be used for the distribution of cash dividends to shareholders.
- ✓ Shareholders shall be entitled to their share of profits in accordance with the General Assembly resolution issued in this regard. The resolution shall specify the entitlement date and the distribution date. Entitlement to profits shall be for the owners of shares registered in the shareholders' registers at the end of the day specified for entitlement. The Board of Directors must execute the General Assembly's resolution regarding the distribution of profits to shareholders. The General Assembly may resolve to distribute interim dividends to shareholders on a semi-annual or quarterly basis, in accordance with the provisions stipulated in the Companies Law and its Implementing Regulations, and the Corporate Governance Regulations issued by the Board of the Capital Market Authority, provided that the Assembly authorizes the Board of Directors to do so, and such authorization shall be renewed annually.



10 . Number of Company requests for the Shareholders' Register, the dates of such requests, and the reasons thereof:

Sequence of Company Requests for Shareholders' Register	Request Date	Ownership File Date	Reasons for Requesting Shareholders' Register
1	01/06/2025	31/05/2025	General Assembly
2	29/09/2025	28/09/2025	Corporate Actions

11. A description of any interest, contractual securities, and subscription rights held by members of the company's board of directors, senior executives, and their relatives in the company's shares or debt instruments or those of any of its subsidiaries, and any changes in such interest or rights during the last fiscal year.

During the fiscal year ended December 31, 2025, there were no voting interest held by members of the company's board of directors, senior executives, and their relatives in the company's shares or debt instruments or those of any of its subsidiaries, and any changes in such interest or rights (excluding board members' shares as previously mentioned).

12. Data of Directors, Committee Members, and Executive Management:

A. Directors:

Name	Current Positions	Previous Positions	Qualifications	Experiences
Yasser bin Mohammed Al Jarallah	- Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Chairman of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Member of the Nomination and Remuneration Committee, SHARQIYAH DEVELOPMENT CO.	- BE Financial – United States of America - Board Member, Methaq Takaful Insurance Company – United Arab Emirates - Board Member, Venture Capital Bank (Bahrain) - Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Bachelor of Economics (University of Southern California – United States of America)	- BE Financial – United States of America - Board Member, Methaq Takaful Insurance Company – United Arab Emirates - Board Member, Venture Capital Bank (Bahrain) - Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)



	- Vice Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Chairman of the Executive Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Investment Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Board of Directors, Saudi Investment Bank - Member of the Executive Committee (Saudi Investment Bank) - Member of the Corporate Governance Committee (Saudi Investment Bank) - Director of Investment Department, Bin Jarallah Group	- Board Member, Saudi Investment Bank - Director of Investment Department, Bin Jarallah Group		- Director of Investment Department, Bin Jarallah Group
Ali bin Yahya Al Jaafari	- Vice Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Member of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Chairman of the Audit Committee, SHARQIYAH	- Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Chief Accountant, Saudi Arabian Agricultural Bank - Director of Financial and Administrative Affairs, National Tourism Company	- Bachelor of Accounting	- Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Chief Accountant, Saudi Arabian Agricultural Bank - Director of Financial and Administrative Affairs, National Tourism Company - Director of Financial Affairs



	DEVELOPMENT CO. - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Executive Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Investment Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Vice Chairman of the Board of Directors, United Dairy Company	- Director of Financial Affairs and Investment, Al Jarallah Group - Al Muaishir Financial Consulting Center - Managing Director on the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)		and Investment, Al Jarallah Group - Al Muaishir Financial Consulting Center - Managing Director on the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
Fayez bin Saleh bin Mahfouz	- Managing Director, SHARQIYAH DEVELOPMENT CO. - Chief Executive Officer (Acting), SHARQIYAH DEVELOPMENT CO. - Member of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Executive Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Investment Management, Riyadh Bank - Investment Management, Banque Saudi Fransi - Investment Manager, Asila Company - Vice Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Bachelor of Business Administration	- Investment Management, Riyad Bank - Investment Management, Banque Saudi Fransi - Investment Manager, Asila Company - Vice Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)



	- Chairman of the Investment Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)			
Abdulrahman bin Hassan Al Amoudi	- Board Member, SHARQIYAH DEVELOPMENT CO. - Member of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Member of the Nomination and Remuneration Committee, SHARQIYAH DEVELOPMENT CO. - Member of the Investment Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Deputy General Manager, ABV Rock Group - Owner, Baniah Saudi Company	- General Manager, Al Minwal Group - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Bachelor of Financial Management, Northeastern University, Boston – United States of America	- General Manager, Al Minwal Group - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
Mohammed bin Ibrahim Al Amer	- Board Member, SHARQIYAH DEVELOPMENT CO. - Chairman of the Nomination and Remuneration Committee, SHARQIYAH DEVELOPMENT CO.	- Legal Advisor to several private and public entities	- Master of Commercial Law	- Legal Advisor to several private and public entities

**B. Committee Members:**

Since all members of the committees originating from the Company's Board of Directors are members of the same Board, with the exception of the Audit Committee, and as the particulars of the Board members have been clarified above, only the details of the Audit Committee members shall be set forth below.

▪ **Audit Committee:**

Name	Current Positions	Previous Positions	Qualifications	Experiences
Ali bin Yahya Al Jaafari	- Vice Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Member of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Chairman of the Audit Committee, SHARQIYAH DEVELOPMENT CO. - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Executive Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Investment Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Vice Chairman of the Board of	- Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Chief Accountant, Saudi Arabian Agricultural Bank - Director of Financial and Administrative Affairs, National Tourism Company - Director of Financial Affairs and Investment, Al Jarallah Group - Al Muaishir Financial Consulting Center - Managing Director on the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Bachelor of Accounting	- Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Chief Accountant, Saudi Arabian Agricultural Bank - Director of Financial and Administrative Affairs, National Tourism Company - Director of Financial Affairs and Investment, Al Jarallah Group - Al Muaishir Financial Consulting Center - Managing Director on the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)



	Directors, United Dairy Company			
Bassam bin Mohammed Al-Baqawi	- Managing Partner, BMB & Co. - Member of the Audit Committee, SHARQIYAH DEVELOPMENT CO.	- Faculty Member and Consultant, Institute of Public Administration - Investment Bank Manager, Gulf International Bank, Investment Banking Division - Deputy General Manager and Secretary of the Board of Directors, Aseer Company - Chief Executive Officer, Investment House Project / Amjad Holding Company	- Bachelor of Accounting - Master of Accounting - Bachelor of Laws	- Faculty Member and Consultant, Institute of Public Administration - Investment Bank Manager, Gulf International Bank, Investment Banking Division - Deputy General Manager and Secretary of the Board of Directors, Aseer Company - Chief Executive Officer, Investment House Project
Saad bin Mohammed Al-Hwaymel	- Full-time - Member of the Audit Committee, SHARQIYAH DEVELOPMENT CO.	- Faculty Member, Institute of Public Administration - Director of the Internal Audit Department, Institute of Public Administration - Financial Controller, Institute of Public Administration	- Bachelor of Accounting - Master of Financial Control	- Execution of more than thirty studies and consultations. - Authorship of three books on accounting. - Member of numerous audit and technical committees. - Training in professional certifications in Governance and (GRC). - Member of the research team for preparing governance standards for joint-stock companies (Alfaisal University). - Organizing conferences: (Internal Audit, Governance in Public Institutions). - Chairing the advisory team for preparing the national framework



				for regulating departments of: (Governance, Internal Audit, Compliance, Risk Management), 1442 AH.
Abdullah Al-Harbi (Resigned from the Committee on 10/02/2025)	- Partner – Al-Aufi & Al-Harbi Certified Public Accountants and Auditors - Member of the Audit Committee, SHARQIYAH DEVELOPMENT CO. (Formerly)	- Internal Audit Manager, Al Rajhi Bank - Internal Auditor, Riyadh Investment Company - Accounts Supervisor, Saudi Food and Drug Authority	Master of Accounting and Finance	- Internal Audit Manager, Al Rajhi Bank - Internal Auditor, Riyadh Investment Company - Accounts Supervisor, Saudi Food and Drug Authority

■ Nomination Committee:

Name	Current Positions	Previous Positions	Qualifications	Experiences
Mohammed bin Ibrahim Al Amer	- Board Member, SHARQIYAH DEVELOPMENT CO. - Chairman of the Nomination and Remuneration Committee, SHARQIYAH DEVELOPMENT CO.	- Legal Advisor to several private and public entities	- Master of Commercial Law	- Legal Advisor to several private and public entities
Yasser bin Mohammed Al Jarallah	- Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Chairman of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Member of the Nomination and Remuneration Committee, SHARQIYAH DEVELOPMENT CO. - Vice Chairman of the Board of Directors, ALLIED COOPERATIVE	- BE Financial – United States of America - Board Member, Methaq Takaful Insurance Company – United Arab Emirates - Board Member, Venture Capital Bank (Bahrain) - Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Bachelor of Economics (University of Southern California – United States of America)	- BE Financial – United States of America - Board Member, Methaq Takaful Insurance Company – United Arab Emirates - Board Member, Venture Capital Bank (Bahrain) - Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Director of Investment Department, Bin Jarallah Group



	INSURANCE GROUP (ACIG) - Chairman of the Executive Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Investment Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Board of Directors, Saudi Investment Bank - Member of the Executive Committee (Saudi Investment Bank) - Member of the Corporate Governance Committee (Saudi Investment Bank) - Director of Investment Department, Bin Jarallah Group	- Board Member, Saudi Investment Bank - Director of Investment Department, Bin Jarallah Group		
Abdulrahman bin Hassan Al Amoudi	- Board Member, SHARQIYAH DEVELOPMENT CO. - Member of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Member of the Nomination and Remuneration Committee, SHARQIYAH DEVELOPMENT CO. - Member of the Investment Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- General Manager, Al Minwal Group - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Bachelor of Financial Management, Northeastern University, Boston – United States of America	- General Manager, Al Minwal Group - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)



	- Deputy General Manager, ABV Rock Group - Owner, Baniah Saudi Company			
--	---	--	--	--

Executive Committee:

Name	Current Positions	Previous Positions	Qualifications	Experiences
Yasser bin Mohammed Al Jarallah	- Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Chairman of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Member of the Nomination and Remuneration Committee, SHARQIYAH DEVELOPMENT CO. - Vice Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Chairman of the Executive Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Investment Committee, ALLIED COOPERATIVE	- BE Financial – United States of America - Board Member, Methaq Takaful Insurance Company – United Arab Emirates - Board Member, Venture Capital Bank (Bahrain) - Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Board Member, Saudi Investment Bank - Director of Investment Department, Bin Jarallah Group	- Bachelor of Economics (University of Southern California – United States of America)	- BE Financial – United States of America - Board Member, Methaq Takaful Insurance Company – United Arab Emirates - Board Member, Venture Capital Bank (Bahrain) - Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Director of Investment Department, Bin Jarallah Group



	INSURANCE GROUP (ACIG) - Member of the Board of Directors, Saudi Investment Bank - Member of the Executive Committee (Saudi Investment Bank) - Member of the Corporate Governance Committee (Saudi Investment Bank) - Director of Investment Department, Bin Jarallah Group			
Fayez bin Saleh bin Mahfouz	- Managing Director, SHARQIYAH DEVELOPMENT CO. - Chief Executive Officer (Acting), SHARQIYAH DEVELOPMENT CO. - Member of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Executive Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Chairman of the Investment Committee,	- Investment Management, Riyadh Bank - Investment Management, Banque Saudi Fransi - Investment Manager, Asila Company - Vice Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Bachelor of Business Administration	- Investment Management, Riyadh Bank - Investment Management, Banque Saudi Fransi - Investment Manager, Asila Company - Vice Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)



	ALLIED COOPERATIVE INSURANCE GROUP (ACIG)			
Abdulrahman bin Hassan Al Amoudi	- Board Member, SHARQIYAH DEVELOPMENT CO. - Member of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Member of the Nomination and Remuneration Committee, SHARQIYAH DEVELOPMENT CO. - Member of the Investment Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Deputy General Manager, ABV Rock Group - Owner, Baniah Saudi Company	- General Manager, Al Minwal Group - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Bachelor of Financial Management, Northeastern University, Boston – United States of America	- General Manager, Al Minwal Group - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
Ali bin Yahya Al Jaafari	- Vice Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Member of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Chairman of the Audit Committee, SHARQIYAH DEVELOPMENT CO.	- Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Chief Accountant, Saudi Arabian Agricultural Bank - Director of Financial and Administrative Affairs, National Tourism Company	- Bachelor of Accounting	- Chairman of the Board of Directors, SHARQIYAH DEVELOPMENT CO. - Chief Accountant, Saudi Arabian Agricultural Bank - Director of Financial and Administrative Affairs, National Tourism Company - Director of Financial Affairs and Investment, Al Jarallah Group - Al Muaishir Financial Consulting Center - Managing Director on the Board of Directors, ALLIED



	- Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Executive Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Member of the Investment Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Vice Chairman of the Board of Directors, United Dairy Company	- Director of Financial Affairs and Investment, Al Jarallah Group - Al Muaishir Financial Consulting Center - Managing Director on the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)		COOPERATIVE INSURANCE GROUP (ACIG)
--	---	--	--	------------------------------------

C. Executive Management:

Name	Current Positions	Previous Positions	Qualifications	Experiences
Fayez bin Saleh bin Mahfouz	- Managing Director, SHARQIYAH DEVELOPMENT CO. - Chief Executive Officer (Acting), SHARQIYAH DEVELOPMENT CO. - Member of the Executive Committee, SHARQIYAH DEVELOPMENT CO. - Board Member, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Investment Management, Riyadh Bank - Investment Management, Banque Saudi Fransi - Investment Manager, Asila Company - Vice Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)	- Bachelor of Business Administration	- Investment Management, Riyadh Bank - Investment Management, Banque Saudi Fransi - Investment Manager, Asila Company - Vice Chairman of the Board of Directors, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)



	- Member of the Executive Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG) - Chairman of the Investment Committee, ALLIED COOPERATIVE INSURANCE GROUP (ACIG)			
Reda Labib Hafez Abu El-Naga	- Financial Manager	Audit Manager and Consultant at a Certified Public Accountant's Office.	Bachelor of Commerce - Accounting	Auditing and reviewing accounts and providing financial advice to joint-stock companies

13. Ownership percentages of Board Members and Senior Executives in the Company's shares

The following table illustrates the ownership percentages of the Board Members in the Company's shares and any change in such interest during 2025:

No.	Names of Board Members and Senior Executives	Total shares at the beginning of the year	Ownership percentage at the beginning of the year	Net Change in Shares During the Year	Percentage Change During the Year	Total Number of Shares at the End of the Year	Ownership Percentage at the End of the Year
1	Yasser bin Mohammed Al Jarallah	-	-	1,495,000	%4.99	1,495,000	%4.99
2	Ali bin Yahya Al Jaafari	300	0.0040000	0	0	1200	0.0040000
3	Fayez bin Saleh bin Mahfouz	-	-	-	-	-	-
4	Abdulrahman bin Hassan Al Amoudi	-	-	-	-	-	-
5	Mohammed bin Ibrahim Al Amer	-	-	-	-	-	-



14. Description of the classes and numbers of any convertible debt instruments and any contractual securities, subscription right warrants, or similar rights issued:

- There are no debt instruments convertible into shares, or any contractual securities, subscription right warrants, or similar rights issued or granted by the Company during the fiscal year ended 31 December 2025.

15. Description of any conversion or subscription rights under debt instruments convertible into shares granted by the Company:

- There are no debt instruments convertible into shares, or any contractual securities, subscription right warrants, or similar rights issued or granted by the Company during the fiscal year ended 31 December 2025.

16. Description of any redemption, purchase, or cancellation of any redeemable debt instruments by the Company:

- There has been no redemption or cancellation by the Company of any redeemable debt instruments during the fiscal year ended 31 December 2025.

17. Statement of the General Assembly meetings of shareholders and the attending Board Members:

Name	Ordinary General Assembly Meeting dated 01/06/2025
Yasser bin Mohammed Al Jarallah	✓
Ali bin Yahya Al Jaafari	✓
Fayez bin Saleh bin Mahfouz	✓
Abdulrahman bin Hassan Al Amoudi	✓
Mohammed bin Ibrahim Al Amer	✓

18. Number of Board of Directors meetings held during the fiscal year and the attendance record:

No.	Name	Date				Total
		15/01/2025	10/02/2025 (By Circulation)	25/03/2025	05/11/2025	
1	Yasser bin Mohammed Al Jarallah	✓	✓	✓	✓	4
2	Ali bin Yahya Al Jaafari	✓	✓	✓	✓	4



3	Fayez bin Saleh bin Mahfouz	✓	✓	✓	✓	4
4	Abdulrahman bin Hassan Al Amoudi	✓	✓	✓	✓	4
5	Mohammed bin Ibrahim Al Amer	✓	✓	✓	✓	4

19. Data regarding any transaction between the Company's Management and related parties:

The Company acknowledges that there were no transactions between the Company and any related parties during the fiscal year 2025.

20. Information relating to any contracts to which the Company is a party and in which there is or was a material interest for a Board Member, the Chief Executive Officer, the Chief Financial Officer, or any person related to any of them:

There were no contracts between the Company and any Board Member, the Chief Executive Officer, the Chief Financial Officer, or any person related to any of them during the fiscal year 2025.

21. Statement of any arrangements or agreement under which a Board Member or a Senior Executive waived any salary or compensation:

No member of the Board of Directors waived any remunerations allocated to them during the year 2025.

22. Statement of any arrangements or agreement under which a shareholder waived any rights to profits:

- There were no arrangements or agreement under which a shareholder waived any rights to profits during the year ended 31/12/2025.

23. Statement of the value of statutory payments due for the payment of any Zakat, taxes, fees, or other charges:

The following table illustrates the values of statutory payments due from the Company for the year 2025, which include passport fees, Sharia Zakat, General Organization for Social Insurance (GOSI) installments, and labor office fees.



Description	Paid during the Year	Outstanding at Year-End	Brief Description	Reasons for Non-Payment
Zakat	4,259,388	14,635,877	Zakat provision for the financial years from 1991 to 2024	Installment Payment Plan Available
Value Added Tax (VAT)		(2291160)	0	Amount due to the Company from the Zakat, Tax and Customs Authority
Withholding Tax		0	0	
Social Insurance	0	80638	This represents the invoice for December 2025	Invoice issued in January 2026.
Visa and Passport Costs	82,822		Residency renewal and employee sponsorship transfer fees	
Labor Office Fees	993,056		Employee work permit renewal fees	
Statutory Fines and Penalties	14,076			



24. Statement of the value of any investments or reserves established for the benefit of the Company's employees

The Company has not established any investments or any reserves for the benefit of the Company's employees during the year ended 31/12/2025.

25. Board of Directors' Declaration

The Board of Directors of the Company declares that the records and accounts of the Company for the financial year ended 31/12/2025 have been prepared in a regulatory manner and reflect the reality of the Company's business results with full transparency and clarity.

26. Auditor

Al-Kharashi Certified Accountants was appointed as the Company's external auditor through the voting and nomination of the Shareholders of the Company at the General Assembly for a full financial year starting from the second quarter of 2025 until the end of the first quarter of 2026, based on the corporate governance regulations of joint-stock companies which regulate the process of appointing an external auditor.

27. Disclosure and Transparency

The Company works on establishing the necessary foundations and procedures that comply with the corporate governance provisions issued by the Capital Market Authority (CMA). A specific governance manual for the Company has been adopted, guided by the Corporate Governance Regulations issued by the Saudi Arabian Capital Market Authority. In practice, the Company applies the majority of the provisions of the Regulations, both wholly and partially, through the framework of the Articles of Association, internal regulations and procedures, and relevant laws and regulations, in addition to its application of International Financial Reporting Standards (IFRS). The Company constantly works to complete the policies and procedures governing implementation and strives to develop them continuously, noting that all items have been implemented.

28. Provisions not applied and reasons for non-application:

1. Article No. 22/2: Establishing systems and controls for internal control and general supervision thereof.

Reason for non-application: Since internal control systems represent a set of regulations, procedures, and authorities in addition to qualified human cadres, the Company is in the process of completing them and putting them into effect; partial implementation has occurred and completion is underway.



2. Article No. 26/5: Submitting the organizational and functional structures of the Company for consideration of approval.

Reason for non-application: The Company is still in the process of completing the organizational structures with the start of implementing its projects, and they will be submitted for approval once completed.

3. Article No. 26/10: Proposing a policy and types of remuneration granted to employees, such as fixed remuneration, performance-related remuneration, and remuneration in the form of shares.

Reason for non-application: The Company is still in the early stage of activity and is completing its organizational structures and human cadres; there are no grounds to propose remuneration given that operational aspects are not yet completed.

4. Article No. 86: Establishing a policy for professional conduct and ethical values in the Company.

Reason for non-application: The Company is committed to implementing policies related to professional conduct and ethical values issued by the regulatory authorities that oversee the Company's work, and work is underway to document these policies.

29. Names of joint-stock companies in which the Board member is a member of their Board of Directors

No.	Name	Position	Current membership in boards of directors of companies or their management locally and abroad
1	Yasser bin Mohammed Al Jarallah	Chairman of the Board of Directors of SHARQIYAH DEVELOPMENT CO.	The Saudi Investment Bank; ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
2	Ali bin Yahya Al Jaafari	Vice Chairman of the Board of Directors of SHARQIYAH DEVELOPMENT CO.	ALLIED COOPERATIVE INSURANCE GROUP (ACIG); Vice Chairman of the Board of Directors of United Dairy Company
3	Fayez bin Saleh bin Mahfouz	Managing Director and Acting CEO of SHARQIYAH DEVELOPMENT CO.	ALLIED COOPERATIVE INSURANCE GROUP (ACIG)
4	Abdulrahman bin Hassan Al Amoudi	Board Member of SHARQIYAH DEVELOPMENT CO.	None



5	Mohammed bin Ibrahim Al Amer	Board Member of SHARQIYAH DEVELOPMENT CO.	None
---	------------------------------	---	------

30. Composition of the Board of Directors and Classification of its Members

No.	Name	Position	Membership Status
1	Yasser bin Mohammed Al Jarallah	Chairman of the Board	Non-Executive
2	Ali bin Yahya Al Jaafari	Vice Chairman of the Board	Independent
3	Fayez bin Saleh bin Mahfouz	Managing Director and Acting CEO	Executive
4	Abdulrahman bin Hassan Al Amoudi	Board Member	Independent
5	Mohammed bin Ibrahim Al Amer	Board Member	Independent

31. Brief Description of the Jurisdictions and Duties of the Main Board Committees, their Chairmen, Members, and Number of Meetings

(1) Audit Committee:

The Committee oversees the Company's internal audit, examines periodic financial statements, and reviews internal and external audit reports and their efficiency. It verifies the adequacy of internal control systems, nominates the external auditor and monitors their work, and ensures the sufficiency and effectiveness of the Company's control activities. Furthermore, it evaluates the effectiveness of the Company's assessment of potential risks and the methods of monitoring and mitigating such risks. The Audit Committee consists of the following members:



No.	Member	Position	No. of Meetings	Date						
				19/03/20 25	24/03/20 25	01/05/20 25	13/05/20 25	22/07/20 25	30/07/20 25	05/11/20 25
1	Ali bin Yahya Al Jaafari	Committee Chairman	7	✓	✓	✓	✓	✓	✓	✓
2	Bassam bin Mohammed Al-Baqaawi	Member	7	✓	✓	✓	✓	✓	✓	✓
3	Saad bin Mohammed Al-Hwaymel	Member	7	✓	✓	✓	✓	✓	✓	✓
4	Abdullah Al-Harbi	Member	0	Resigned from the Committee on 10/02/2025						

2) Nomination and Remuneration Committee:

The Committee conducts an annual review of the requirements for Board membership in accordance with approved policies and standards, reviews the Board structure, and submits recommendations regarding potential changes. It establishes clear policies for the compensation and remuneration of Board members and senior executives, ensures the independence of independent members on an annual basis, and verifies the absence of any conflict of interest if a member sits on other boards. The Nomination and Remuneration Committee consists of the following members:

No.	Member	Position	No. of Meetings	Date	
				07/01/2025 (By Circulation)	28/12/2025
1	Mohammed bin Ibrahim Al Amer	Committee Chairman	2	✓	✓
2	Yasser bin Mohammed Al Jarallah	Member	2	✓	✓
3	Abdulrahman bin Hassan Al Amoudi	Member	2	✓	✓

**3) Executive Committee:**

The Committee performs all tasks assigned to it by the Board of Directors for study and decision-making. It also reviews related-party transactions, appoints executive managers, monitors the Company's operations and investments, and follows up on the procedures for the Company's acquisition of the Fadhili project land with government authorities. The Executive Committee consists of the following members:

No.	Member	Position	No. of Meetings	15/01/2025	03/02/2025	12/02/2025	09/03/2025	07/04/2025	30/04/2025	26/06/2025	01/10/2025	12/11/2025	10/12/2025	21/12/2025
1	Yasser bin Mohammed Al Jarallah	Committee Chairman	11	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2	Ali bin Yahya Al Jaafari	Member	11	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
3	Abdulrahman bin Hassan Al Amoudi	Member	11	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
4	Fayez bin Saleh bin Mahfouz	Member	11	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

32. Any Penalty, Sanction, or Precautionary Restriction Imposed on the Company by the Authority or any other Supervisory, Regulatory, or Judicial Body

During the fiscal year 2025, no fines, penalties, sanctions, or even precautionary restrictions were issued against the Company by the Authority or any supervisory or regulatory body.

33. Details of Remuneration and Compensation for Board Members, Senior Executives, and Committee Members

Remuneration and compensation for board members, senior executives, and committee members are granted according to the applicable policy as follows:



First: Remuneration and Compensation Policy for Board Members:

1. The Board of Directors, based on the recommendation of the Nominations and Remuneration Committee, determines the remuneration of the Chairman and members of the Board.
2. The Board of Directors, based on the recommendation of the Nominations and Remuneration Committee, determines the remuneration of the chairpersons and members of the Board's subcommittees.
3. Board members' remuneration may be a fixed sum, an attendance allowance, a percentage of net profits (provided that independent members are not entitled to remuneration based on the company's profitability), an additional remuneration for professional work performed under a professional license (for members assigned to such work), membership on and attendance at Board subcommittees, or contracts and transactions entered into by the member on behalf of the company.

Second: Remuneration and Compensation Policy for Committee Members:

1. Individuals appointed as secretaries of the Board and its subcommittees shall receive an annual remuneration determined by the Board of Directors based on the recommendation of the Remuneration and Nominations Committee.
2. The allowance for secretaries of the Board and its subcommittees to attend meetings of the Board and its subcommittees shall be equal to the allowance for members of the Board and its subcommittees, for each meeting attended.

Third: Remuneration Policy for Senior Executives

1. The Board of Directors, based on the recommendation of the Remuneration and Nominations Committee, shall determine the types of remuneration awarded to senior executives in the company, such as fixed bonuses, performance-related bonuses, or exceptional bonuses, in accordance with the following principles:
 - a) Remuneration and compensation shall be consistent with the company's strategic objectives, motivate senior executives to achieve those objectives, and enhance the company's ability to grow and sustain its business.



b) Remuneration shall be appropriate to the nature of the company's business, its size, and the required skills and experience. c) To enable the company to attract senior executives with the necessary capabilities, skills, and qualifications to achieve its objectives.

d) To avoid any conflict of interest that could negatively impact the company's interests and its ability to achieve its objectives.

(A) Remuneration of Board Members:



Board of Directors Remuneration 2025

	Fixed Remuneration							Variable Remuneration					End of Service Benefits	Expense Allowance	Gross Total
	Specific Amount	Board Meeting Attendance Allowance	Total Committee Meeting Attendance Allowance	In-kind Benefits	Statement of amounts received by Board members in their capacity as	Remuneration of the Chairman, Managing Director, or Secretary (if a	Total	Percentage of Profits	Periodic Remuneration	Short-term Incentive Plans	Long-term Incentive Plans	Granted Shares (Value of Shares)	Total		
First: Independent Members from outside the Board															
Saad bin Mohammed Al-Hwaymel	75000		21,000				96,000					0	0		96,000
Bassam bin Mohammed Al-Baqaawi	75000		21,000				96,000					0	0		96,000
Abdullah Al-Harbi	8,333		0				8,333					0	0		8,333
Second: Independent Members															
Ali bin Yahya Al-Jaafari	375,000	9,000	54,000				438,000					0	0		438,000



Abdulahman bin Al Amoudi	350,000	9,000	36,000															0				395,000
Mohammed bin Ibrahim Al Amer	300,000	9,000	300,000															0				312,000
Third: Non-Executive Members																						
Yasser bin Mohammed Al Jarallah – Current Board	375,000	9,000	36,000															0				420,000
Fourth: Executive Members																						
Fayez bin Saleh bin Mahfouz	275,000	9,000	33,000															0				317,000
Fifth: Board Secretary																						
Ibrahim Al-Khalifa	50,000.00	9,000	57,000															0				116,000
Totals	1,883,333	54,000	261,000															2,198,333				2,198,333

(B) Remuneration and Attendance Allowances for Committee Members

Committee Member Remuneration 2025

Committee Member Remuneration 2025

Names	Fixed Remuneration	Number of Meetings Attended	Allowance Value	Total
First: Audit Committee Members				
Ali bin Yahya Al Jaafari	100,000	7	3,000	121,000
Saad bin Mohammed Al-Hwaymel	75,000	7	3,000	96,000
Abdullah bin Saleh Al-Harbi	8,333	0	0	8,333
Bassam bin Mohammed Al-Baqaawi	75,000	7	3,000	96,000
Ibrahim Al-Khalifa (Secretary)	0	7	3,000	21,000
Second: Nomination and Remuneration Committee				
Mohammed bin Ibrahim Al Amer	100,000	1	3,000	103,000
Yasser bin Mohammed Al Jarallah	75,000	1	3,000	78,000
Abdulrahman bin Hassan Al Amoudi	75,000	1	3,000	78,000
Ibrahim Al-Khalifa (Secretary)	0	1	3,000	3,000
Fourth: Executive Committee				
Yasser bin Mohammed Al Jarallah	100,000	11	3,000	133,000
Fayez bin Saleh bin Mahfouz	75,000	11	3,000	108,000
Ali bin Yahya Al Jaafari	75,000	11	3,000	108,000
Abdulrahman bin Hassan Al Amoudi	75,000	11	3,000	108,000
Ibrahim Al-Khalifa (Secretary)	0	11	3,000	33,000
Total	833,333			1,094,333



(C) Remuneration and Allowances for Senior Executives:

Senior Executive Remuneration 2025

المجموع	Name	Job Title	Fixed Remuneration				Variable Remuneration						End of Service Benefits	Total Executive Remuneration from the Board	Gross Total
			Salaries	Allowances	In-kind Benefits	Total	Percentage of Profits	Periodic Remuneration	Short-term Incentive Plans	Long-term Incentive Plans	Granted Shares (Value of Shares)	Total			
	Fayez bin Saleh bin Mahfouz	Managing Director and Acting Chief Executive Officer	1,080,000	378,000		1,458,000									1,458,000
	Reda Labib Hafez Abu El-Naga	Financial Manager	360,000	126,000		486,000						0			486,000
			1,440,000	504,000	0	1,944,000	0	0	0	0	0	0	0	0	1,944,000



34. Results of the Annual Review of the Effectiveness of the Company's Internal Control Procedures

The Audit Committee reviews periodic reports regarding the evaluation of internal control procedures, monitors the operation of internal controls, and submits recommendations concerning observations and deficiencies in the internal control system to the Board of Directors for remediation. During its term, the Committee has issued recommendations and monitored their implementation to strengthen the Company's internal auditing and control systems in compliance with the Corporate Governance Regulations. These procedures included the following:

1. Contracting with a specialized firm to perform internal audit functions.
2. Gap Analysis is currently underway for the purposes of verifying the Company's governance and completing any procedures or regulations that ensure the robustness of internal control and corporate governance according to the results of the study.
3. Periodic meetings to monitor the Company's operations and provide appropriate recommendations.
4. Communicating with the external auditor during quarterly periods and providing required clarifications.

35. Employee Performance Evaluation

One of the Company's objectives is to conduct a quarterly evaluation for every sector, department, and employee to maintain increased efficiency and raise performance levels in order to achieve the desired goals.

36. Performance Evaluation of the Board of Directors and its Committees

In evaluating the performance of its members and all its committees during the year, the Board of Directors relies on the material results achieved, which have a clear impact reflected in the Company's financial results. Although the Company has not engaged statutory external parties to evaluate the performance of its Board of Directors and its emanating committees, the Board permanently monitors and records the observations and opinions of the Company's shareholders and interested parties.

37. The procedures taken by the Board of Directors to inform its members, especially the executives, of shareholders' proposals and observations regarding the company and its performance.

The Board reviews these in its meetings. In evaluating the performance of its members and all its subcommittees during the year, the Board of Directors relies on the achievement of substantial results that have a clear impact and are reflected in the company's financial results. Although the company has not engaged external, formal entities to evaluate the performance of its Board of Directors and its



subcommittees, the Board continuously monitors and tracks the observations and opinions of the company's shareholders and stakeholders.

38. Corporate Social Responsibility Activities (Community Service)

The Company's management is keen to consistently contribute to social events, recognizing the Company's role in serving the community at the local and national levels. Over the past years, the Company has proven its commitment through assuming its responsibility toward social activities and the public interest, and its effective contribution to the State's plans aimed at achieving sustainable development, which is clearly demonstrated in the following:

1. Compliance with the State's agricultural and water policy regulations through the rationalization of irrigation water.
2. Commitment to preserving the environment and public health by limiting the use of pesticides.
3. Cooperation with security authorities by reporting any illegal logging activities that may harm the environment.

39. Going Concern

The Company declares, based on what is stated in this report, its ability to continue practicing its available activities in addition to creating new operational activities represented by the establishment of a commercial company in the field of food security (SADU AL-ARAB TRADING COMPANY) with 100% ownership, which in turn acquired a logistics services company (AL-WASEET AL-BARRI LOGISTICS SERVICES COMPANY). This had an impact on the Company's ability to achieve operational revenues exceeding SAR 85 million, which strengthens the Company's ability to continue as a going concern.

40. Proposals of the Board of Directors

First: Approval of the contents of the Board of Directors' report for the year 2025.

Second: Approval of the external auditor's report for the period ended 31/12/2025.

Third: Ratification of the Company's balance sheet and income statement for the period ended 31/12/2025.

Fourth: Discharge of the members of the Board of Directors from liability for their actions for the period ended 31/12/2025.

In conclusion, the Chairman and members of the Board of Directors of SHARQIYAH DEVELOPMENT CO. extend their thanks, appreciation, and gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and to His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince, Deputy Prime Minister, and Minister of Defense,

Asharqiyah Development Co.

Public Joint Stock Company

Authorized & Paid-Up Capital SR. 300,000,000



الشركة الشرقية للتنمية

شركة مساهمة عامة

رأس المال المصرح به والمدفوع 300,000,000 ريال سعودي

and to the wise Government for their continuous support and encouragement in supporting the food security strategy, in which the Company seeks to participate during the next phase.

The report has ended. Allah is the Arbiter of Success.