

Delmon Poultry Company B.S.C.

**Financial statements for the
year ended 31 December 2025**

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Commercial registration	10700-1 obtained on 21 July 1980 10700-2 obtained on 2 March 2017 10700-3 obtained on 26 January 2019 10700-4 obtained on 21 October 2025
Board of directors	Esam Abdulhameed Zainal (Chairman) Abdulla Jasim Al Ahmed (Vice Chairman) Abdulredha Mohamed Al Dailami Talal Mohamed Abdulla Al Mannai Basel Yusuf Al Saleh Rana Fouad Almutawa Mohamed Sharif Ahmadi Ali Shawqi Fakhroo Abdulhameed Mohamed Dewani Sh. Rashid Khalifa AL Khalifa Abdulhussain Khalil Dewani (up to 26 March 2025) Yousuf Saleh Al-Saleh (up to 26 March 2025) Jaffar Mohamed Ali Al Dhaif (up to 26 March 2025) Fouad Ebrahim Almutawa (up to 26 March 2025) Marwa Khalid Al Sabbagh (up to 26 March 2025) Hussain Al Shehab (up to 26 March 2025)
Executive Committee	Abdulla Jasim Al Ahmed (Chairman) Esam Abdulhameed Zainal Abdulredha Mohamed Al Dailami Mohamed Sharif Ahmadi
Audit and Risk Committee	Talal Mohamed Abdulla Al Mannai (Chairman) Basel Yusuf Al Saleh Ali Shawqi Fakhroo
Nomination, Remuneration and Governance Committee	Sh. Rashid Khalifa AL Khalifa (Chairman) Rana Fouad Almutawa Abdulhameed Mohamed Dewani
Chief Executive Officer (CEO)	Abdulhadi Mirza Jaffar

Offices and plants	Administration and chicken processing plant Hamala, PO Box 20535 Telephone 17608282 Fax 17601930 Email: info@dawajen.bh Website: www.dawajen.bh Feedmill - Mina Salman Telephone 17727705 Chicks Hatchery - Hamala Telephone 17624832
Principal bankers	Kuwait Finance House National Bank of Bahrain National Bank of Kuwait Bahrain Islamic Bank Bank of Bahrain and Kuwait Al Salam Bank Arab bank
Auditors	BDO 17 th Floor Diplomatic Commercial Office Tower PO Box 787 Manama Kingdom of Bahrain
Internal auditor	Grant Thornton - Abdulaal 12 th Floor, Al Nakeel Tower Seef District PO Box 11175 Kingdom Of Bahrain
Share registrar	Bahrain Clear B.S.C. (c) PO Box 3203 Manama Kingdom of Bahrain



Delmon Poultry Company B.S.C.
Directors' report for the year ended 31 December 2025

Dear shareholders,

On behalf of myself and members of the Board of Directors, I am pleased to present the Directors' report for Delmon Poultry Company (B.S.C.) for the year ended 31 December 2025.

The year 2025 witnessed a lot of work related to the implementation of the Board of Directors' strategy for developing the Company's production operations, including the modernization of production equipment to keep pace with the development of the poultry industry, as the following projects were completed:

- During the year, work began on the implementation of the solar energy project, as part of the Company's drive towards enhancing sustainability and rationalizing energy consumption.
- The Company has paid special attention to the training and qualification of human resources and has worked to develop their skills and raise their efficiency in a way that contributes to supporting operational performance and achieving strategic goals.
- The implementation of the Further Processing Products plant has been completed, which contributes to enhancing production capacity and improving the efficiency of operational processes. The Company has completed the economic feasibility study and legal aspects of an offer to lease land for the establishment of a chicken farm.

Financial highlights:

The Company maintained its sales level during 2025 at BD 21 million, consistent with 2024, reflecting stable operational performance despite challenging market conditions.

Profit from operations amounted to BD 777 thousand compared to BD 903 thousand in 2024. The decrease is primarily attributable to intensified market competition and higher costs of certain production inputs.

Investment income remained stable at BD 256 thousand in both 2025 and 2024, providing continued support to the overall results.

As a result, net profit for 2025 reached BD 902 thousand, compared to BD 1,033 thousand in 2024.

Future insights:

This year has been full of challenges and difficulties, especially in light of the complex geopolitical circumstances that our region is going through. This has been reflected in the poultry industry in general. The Company continued to execute its operational plans efficiently, with a focus on enhancing operational resilience and securing supply chains to ensure business continuity and product quality. The Company is also about to implement future projects for broiler breeding, which aims to increase production capacity and enhance self-sufficiency of poultry in the Kingdom of Bahrain, in a way that contributes to supporting food security, creating new job opportunities and stimulating economic growth in the agricultural and food sector.

The Board of Directors affirms the Company's commitment to continuously developing its operations and performance and exploring opportunities for sustainable growth, believing that effectively addressing current challenges contributes to strengthening the Company's resilience and enhancing its readiness to meet the demands of the next phase.



Delmon Poultry Company B.S.C.
Directors' report for the year ended 31 December 2025 - continued

Thanks and Gratitude:

On behalf of myself, Board of Directors and the shareholders, I extend my great appreciation, gratitude and thanks to His Majesty King Hamad bin Isa Al Khalifa, the beloved King of the Kingdom of Bahrain, and to His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander and Prime Minister may God bless them all for their wise leadership, guidance and continuous support for economic development in the Kingdom of Bahrain.

And to His Excellency Sheikh Khalid bin Abdullah Al Khalifa, Deputy Prime Minister for his wise directives to maintain food security in the Kingdom of Bahrain, and His Excellency Sheikh Salman bin Khalifa Al Khalifa, Minister of Finance and National Economy, and His Excellency Abdullah bin Adel Fakhro, Minister of Industry and Commerce, and His Excellency Engineer Wael bin Nasser Al-Mubarak, Minister of Municipality Affairs and Agriculture. And to Eng. Assem Abdullatif, the Undersecretary of Agriculture and Livestock, and to the Ministries, and Government Bodies and Authorities for their continuous support and assistance to the Company.

In conclusion, we are pleased to express our appreciation and sincere thanks to the Company's esteemed shareholders, customers for their great trust and support for the Company, executive management and all the Company's employees for their commitment, sincerity, and efforts throughout the year, hoping to continue making more efforts for the Company's prosperity and development.

We ask God for success for what is good for everyone.

Peace be upon you and God's mercy and blessings.

Esam Abdulhameed Zainal
Chairman

17 February 2026

Delmon Poultry Company B.S.C.
Disclosure for the remuneration details for the year ended 31 December 2025

Disclosure for the remuneration of members of the board of directors and executive management for the year 2025

First: Board of directors' remuneration details:

Name	Fixed remunerations in BD					Variable remunerations in BD					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others	Total			
First: Independent, Non-Executive Directors:													
Esam Abdulhameed Zainal		6,000	-	-	6,000	9,500	-	-	-	9,500	-	15,500	-
Talal Mohamed Al Mannai	-	5,500	-	-	5,500	7,500	-	-	-	7,500	-	13,000	-
Abdulhameed Mohamed Diwani	-	4,000	-	-	4,000	7,500	-	-	-	7,500	-	11,500	-
Sh. Rahed bin Khalifa Al Khalifa	-	4,000	-	-	4,000	7,500	-	-	-	7,500	-	11,500	-
Basel Yusuf Al Saleh	-	4,500	-	-	4,500	7,500	-	-	-	7,500	-	12,000	-
Rana Fouad AL Mutawa	-	4,000	-	-	4,000	7,500	-	-	-	7,500	-	11,500	-
Ali Shawqi Fakhroo	-	4,500	-	-	4,500	7,500	-	-	-	7,500	-	12,000	-
Abdulhussain Khalil Dewani*	-	500	-	-	500	-	-	-	-	-	-	500	-
Yusuf Saleh AL Saleh*	-	2,000	-	-	2,000	-	-	-	-	-	-	2,000	-
Jaafer Mohamed Ali AL Dhaif*	-	1,500	-	-	1,500	-	-	-	-	-	-	1,500	-
Fouad Ibrahim Al Mutawa*	-	1,000	-	-	1,000	-	-	-	-	-	-	1,000	-
Hussain Abdulhameed Al Shehab*	-	500	-	-	500	-	-	-	-	-	-	500	-
Second: Non-Independent, Non-Executive Directors:													
Abdulredha Mohamed Al Dailami	-	6,500	-	-	6,500	7,500	-	-	-	7,500	-	14,000	-
Abdulla Jasim Al Ahmed	-	5,500	-	-	5,500	7,500	-	-	-	7,500	-	13,000	-
Mohamed Sharif Ahmadi	-	4,500	-	-	4,500	7,500	-	-	-	7,500	-	12,000	-
Marwa Khalid Al Sabbagh*	-	1,500	-	-	1,500	-	-	-	-	-	-	1,500	-
Third: Executive Directors:													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total in BD	-	56,000	-	-	56,000	77,000	-	-	-	77,000	-	133,000	-

*The members completed their term of membership as of March 2025.

Second: executive management's remuneration details:

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ In kind remuneration for 2025	Aggregate Amount
Top 6 remunerations for executives, including CEO and Senior Financial Officer	283,368	20,483	800	304,651


Esam Abdulhameed Zainal
Chairman


Abdulla Jasim Al Ahmed
Vice chairman

Independent auditor's report to the shareholders of Delmon Poultry Company B.S.C.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Delmon Poultry Company B.S.C. ("the Company"), which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss, the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters include:

Revenue recognition

Revenue reported in Note 22 represents sale of chicken, chicks, feed and other miscellaneous income. The Company focuses on revenue as key performance measure. By default, this area has a fraud risk element and therefore considered as a significant risk.

Our procedures included considering appropriateness of revenue recognition as per the Company policy including those relating to discounts and assessing compliance with the policies in terms of applicable accounting standards. We tested effectiveness of internal controls implemented by the Company on the revenue cycle. We assessed sales transactions taking place at either side of the statement of financial position date to assess whether the revenue was recognised in the correct period. We also performed analytical review on revenue based on trends in monthly sales and profit margins.

Valuation of the financial assets at fair value

The Company owns quoted and unquoted investments as disclosed in Notes 7 and 8 which form material balances in the financial statements of the Company and are subject to change in the fair value. This could have a significant impact on the Company's results if misstated.

Our audit procedures included testing of investments acquired and sold during the year on a sample basis, testing of ownership and classification, testing of fair value of the quoted investments with the listed prices in the relevant stock exchange, evaluating other valuation techniques used by the management for the determination of fair values of investments that are not quoted in active markets.

Independent auditors' report to the shareholders of Delmon Poultry Company B.S.C. (continued)

Report on the audit of the financial statements (continued)

Other information

Management is responsible for the other information. The other information consists of the information included in the Company's annual report, other than the financial statements and our auditor's report thereon. Prior to the date of this auditors' report, we obtained the report of the Board of Directors which form part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Those Charged With Governance ("TCWG") for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so. Those Charged With Governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 control 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 Company's internal control.
- 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 Company'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 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 Company to cease to continue as a going concern.

Independent auditors' report to the shareholders of Delmon Poultry Company B.S.C. (continued)

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management and TCWG 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 identify during our audit.

We also provide TCWG 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 TCWG, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 legal and regulatory requirements

a) As required by the Bahrain Commercial Companies Law, we report that:

1. we have obtained all the information we considered necessary for the purpose of our audit;
2. the Company has carried out stock-taking in accordance with recognised procedures, has maintained proper books of account and the financial statements are in agreement therewith; and
3. the financial information included in the Directors' report is consistent with the books of account of the Company.

b) As required by the Ministry of Industry and Commerce in its letter dated 30 January 2020 in respect of the requirements of Article 8 of Section 2 of Chapter 1 of the Corporate Governance Code, we report that the Company has:

1. a corporate governance officer; and
2. Board approved written guidance and procedures for corporate governance.

In addition, we report that, nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or of its Memorandum and Articles of Association, which would materially affect its activities, or its financial position as at 31 December 2025.



Manama, Kingdom of Bahrain
17 February 2026



See Auditor's Report dated 17/2/26
Signed by BDO, CR No. 10201-04
Partner: Samson Kattuvattil
Reg. No. 239
Signature: 

Delmon Poultry Company B.S.C.
Statement of financial position as at 31 December 2025
(Expressed in Bahrain Dinars)

	Notes	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,947,218	5,819,574
Right-of-use assets	6	465,754	497,266
Financial assets at fair value through other comprehensive income	7	3,533,596	3,114,206
Financial assets at fair value through profit or loss	8	539,461	705,616
		<u>10,486,029</u>	<u>10,136,662</u>
Current assets			
Inventories	10	3,652,666	3,196,268
Trade and other receivables	11	3,212,769	3,461,319
Investments at amortised cost	9	-	250,000
Cash and bank balances	12	1,341,468	940,785
		<u>8,206,903</u>	<u>7,848,372</u>
TOTAL ASSETS		<u>18,692,932</u>	<u>17,985,034</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	3,120,928	3,120,928
Statutory reserve	14(i)	1,560,464	1,560,464
General reserve	14(ii)	3,993,000	3,993,000
Development and raw material reserve	14(iii)	1,000,000	1,000,000
Investment fair value reserve	14(iv)	2,829,314	2,405,238
Retained earnings	14(v)	3,674,607	3,200,854
Treasury shares	13	(122,398)	(122,398)
Total shareholders' equity		<u>16,055,915</u>	<u>15,158,086</u>
Non-current liabilities			
Non-current portion of lease liabilities	17	565,863	587,268
Non-current portion of deferred income	20	179,315	212,192
Employees' terminal benefits	15	22,713	55,808
		<u>767,891</u>	<u>855,268</u>
Current liabilities			
Short-term borrowings	16	858,075	895,498
Current portion of lease liabilities	17	21,404	20,680
Trade and other payables	18	960,525	1,031,390
Current portion of deferred income	20	29,122	24,112
		<u>1,869,126</u>	<u>1,971,680</u>
Total liabilities		<u>2,637,017</u>	<u>2,826,948</u>
TOTAL EQUITY AND LIABILITIES		<u>18,692,932</u>	<u>17,985,034</u>

These financial statements, were approved and authorised for issue by the Board of Directors and signed on its behalf by:


Esam Abdulhameed Zainal
Chairman


Abdulla Jasim Al Ahmed
Vice chairman


Abdulhadi Mirza Jaffar
CEO

See Auditor's Report dated 17/2/26
 Signed by BDO, CR No. 10201-04
 Partner: Samson Kattuvattil
 Reg. No. 239
 Signature: 

Delmon Poultry Company B.S.C.
Statement of profit or loss for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Sales	22	20,758,018	20,970,890
Cost of sales	23	<u>(18,986,639)</u>	<u>(18,832,334)</u>
Gross profit		1,771,379	2,138,556
Other income	21	195,656	101,803
Other operating expenses	24	<u>(1,189,695)</u>	<u>(1,337,798)</u>
Profit from operations		<u>777,340</u>	<u>902,561</u>
Investment income	25	256,737	256,212
Unrealised fair value losses on financial assets at fair value through profit or loss	8	(27,468)	(20,701)
Finance costs		<u>(104,521)</u>	<u>(105,302)</u>
Net profit for the year		<u>902,088</u>	<u>1,032,770</u>
Basic and diluted earnings per share	26	<u>Fils 29</u>	<u>Fils 34</u>

These financial statements, were approved and authorised for issue by the Board of Directors and signed on its behalf by:



Esam Abdulhameed Zainal
Chairman



Abdulla Jasim Al Ahmed
Vice chairman



Abdulhadi Mirza Jaffar
CEO

Delmon Poultry Company B.S.C.
Statement of comprehensive income for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	Year ended 31 December 2025	Year ended 31 December 2024
Net profit for the year	902,088	1,032,770
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Valuation gains on financial assets at fair value through other comprehensive income	7 <u>424,076</u>	<u>46,078</u>
Total other comprehensive income for the year	<u>424,076</u>	<u>46,078</u>
Total comprehensive income for the year	<u>1,326,164</u>	<u>1,078,848</u>

These financial statements, were approved and authorised for issue by the Board of Directors and signed on its behalf by:



Esam Abdulhameed Zainal
Chairman



Abdulla Jasim Al Ahmed
Vice chairman



Abdulhadi Mirza Jaffar
CEO

Delmon Poultry Company B.S.C.
Statement of changes in shareholders' equity for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	Notes	Share capital	Statutory reserve	General reserve	Development and raw material reserve	Investment fair value reserve	Retained earnings	Treasury shares	Total
At 31 December 2023		3,120,928	1,560,464	3,993,000	1,000,000	2,359,160	2,412,847	(122,398)	14,324,001
Net profit for the year		-	-	-	-	-	1,032,770	-	1,032,770
Other comprehensive income for the year		-	-	-	-	46,078	-	-	46,078
Dividend distributed for 2023	27	-	-	-	-	-	(244,763)	-	(244,763)
At 31 December 2024		3,120,928	1,560,464	3,993,000	1,000,000	2,405,238	3,200,854	(122,398)	15,158,086
Net profit for the year		-	-	-	-	-	902,088	-	902,088
Other comprehensive income for the year		-	-	-	-	424,076	-	-	424,076
Dividend distributed for 2024	27	-	-	-	-	-	(428,335)	-	(428,335)
At 31 December 2025		3,120,928	1,560,464	3,993,000	1,000,000	2,829,314	3,674,607	(122,398)	16,055,915

Delmon Poultry Company B.S.C.
Statement of cash flows for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Operating activities			
Net profit for the year		902,088	1,032,770
Adjustments for:			
Depreciation	5	458,069	398,136
Amortisation of right-of-use assets	6	31,512	31,512
Unrealised fair value losses on financial assets at fair value through profit or loss	8	27,468	20,701
Unrealised foreign exchange (gain)/loss	8	(7,605)	3,780
Finance costs		104,521	105,302
Loss on disposal of financial assets at fair value through other comprehensive income		-	3,381
Interest income	25	(65,549)	(88,629)
Dividends income	25	(191,188)	(167,583)
Changes in operating assets and liabilities:			
Inventories		(456,398)	(1,138,563)
Trade and other receivables		394,842	(303,450)
Trade and other payables		(70,865)	(195,590)
Employees' terminal benefits, net		(33,095)	749
Net cash provided by/(used in) operating activities		<u>1,093,800</u>	<u>(297,484)</u>
Investing activities			
Purchase of property, plant and equipment	5	(585,713)	(385,901)
Proceeds from disposal of financial assets at fair value through other comprehensive income		4,686	4,466
Proceed from maturity of investments at amortised cost		250,000	-
Interest income received	25	65,549	88,629
Dividends income received	25	191,188	167,583
Net cash used in investing activities		<u>(74,290)</u>	<u>(125,223)</u>
Financing activities			
Principal repayment on lease liabilities		(20,681)	(14,652)
Net movement in deferred income		(27,867)	101,133
Net movement in short-term borrowings		(37,423)	507,778
Finance costs paid		(104,521)	(105,302)
Dividends paid	27	(428,335)	(244,763)
Net cash (used in)/provided by financing activities		<u>(618,827)</u>	<u>244,194</u>
Net increase/(decrease) in cash and cash equivalents		400,683	(178,513)
Cash and cash equivalents, beginning of the year		<u>940,785</u>	<u>1,119,298</u>
Cash and cash equivalents, end of the year	12	<u>1,341,468</u>	<u>940,785</u>

1 Organisation and activities

Delmon Poultry Company B.S.C. (“the Company”) is a public shareholding company registered with the Ministry of Commerce and Industry in the Kingdom of Bahrain and operates under commercial registration number 10700-1 obtained on 21 July 1980, commercial registration number 10700-2 obtained on 2 March 2017, commercial registration number 10700-3 obtained on 26 January 2019 and commercial registration number 10700-4 obtained on 21 October 2025.

The principal objectives of the Company include establishing or investing in:

- Facilities for processing, packing and storing of fresh and frozen chicken;
- Feed factories;
- Integrated project for broiler meat;
- Wholesale and retail distribution networks affording easy accessibility for consumers; and
- Participate in incorporation of companies operate similar or supporting activities in Bahrain or abroad.

The Company is also allowed to invest its surplus funds in all types of investments.

Current operations, all in Bahrain, are as follows:

- Chicken processing plant at Hamala
- Feedmill at Mina Salman
- Chicks hatchery at Hamala

The registered office of the Company is in the Kingdom of Bahrain.

Name and status of the divisions:

<u>Name</u>	<u>Commercial registration number</u>	<u>Status</u>
Delmon Poultry Company	10700-1	Active
Delmon Poultry Company	10700-2	Active
Delmon Poultry Company	10700-3	Active
Delmon Poultry Company	10700-4	Active

The financial information, set out on pages 10 to 48 was approved and authorised for issue by the Board of Directors and signed on 17 February 2026.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards as promulgated by the International Accounting Standards Board (“IASB”), interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”), and in conformity with the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse.

Basis of presentation

The financial statements have been prepared using going concern assumption under the historical cost convention, except for financial assets at fair value which are carried at their fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company’s accounting policies. The areas requiring exercise of judgment in applying Company’s accounting policies are disclosed in Note 4 to the financial statements.

2 Basis of preparation (continued)

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Bahrain Dinars (BD), which is the Company's reporting and presentation currency.

Improvements/amendments to IFRS Accounting Standards

Improvements/amendments to IFRS Accounting standards contained numerous amendments to IFRS Accounting Standards that the IASB considers non-urgent but necessary. 'Improvements to IFRS Accounting Standards' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS Accounting Standards. The amendments are effective for the Company's future accounting year with earlier adoption.

Standards, amendments and interpretations issued and effective in 2025 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2025 or subsequent periods, but is not relevant to the Company's operations:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 21	The effects of changes in foreign exchange rates	1 January 2025

Standards, amendments and interpretations issued but not yet effective in 2025

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 December 2025. They have not been adopted in preparing these financial statements for the year ended 31 December 2025 and will or may have an effect on the entity's future financial statements. In all cases, the Company intends to apply these standards from application date as indicated in the table below:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 7	Statement of cash flows	1 January 2026
IFRS 7	Financial instruments: Disclosures	1 January 2026
IFRS 9	Financial instruments	1 January 2026
IFRS 10	Consolidated financial statements	1 January 2026
IAS 21	The effects of changes in foreign exchange rates	1 January 2027
IFRS 18	Presentation and disclosure in financial Statements	1 January 2027
IFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027

Early adoption of amendments or standards in 2025

The Company did not early-adopt any new or amended standards in 2025. There would have been no change in the operational results of the Company for the year ended 31 December 2025 had the Company early adopted any of the above standards applicable to the Company.

3 Material accounting policy information

The principal accounting policies adopted in the preparation of these financial statements is set out below. These policies have been constantly applied to all the years presented, unless otherwise stated.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset carrying amount is greater than its estimated recoverable amount.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the statement of profit or loss as an expense when incurred.

Depreciation is calculated on cost by the straight-line method at annual rates which are intended to write-off the cost of the assets over their estimated useful working lives as followings:

Building (on leased land)	3-40 years
Plant, machinery, tools and equipment	5-35 years
Office equipment, furniture and fixtures, vehicles, trucks, IT hardware and software	2-10 years

All depreciation is charged to the statement of profit or loss. When an asset is sold or otherwise retired, the cost and related accumulated depreciation are removed and any resultant gain or loss is taken is recognised in the statement of profit or loss.

The carrying values of the property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amounts, the property and equipment are written-down to their recoverable amounts.

Capital work-in-progress will be capitalised and depreciated when they are put to commercial use. Depreciation on capital work-in-progress is not charged until such time as these assets are completed and transferred to the respective category of property, plant and equipment.

Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

3 Material accounting policy information (continued)

Leases (continued)

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

3 Material accounting policy information (continued)

Leases (continued)

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Based on the exemptions available in IFRS 16, low value and short-term leases are not capitalised in the statement of financial position. All payments made towards such leases are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the cash flow characteristics and business model these assets are held under. The Company's accounting policy for each category is as follows:

a. Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

The Company has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Company has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Company considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

b. Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at fair value through profit or loss are recognised at their fair values. Realised and unrealised gains and losses arising from changes in the fair value are included in the statement of profit or loss in the period in which they arise. The Company generally deals in managed funds which are categorised as fair value through profit or loss.

3 Material accounting policy information (continued)

Financial assets (continued)

c. Financial assets carried at amortised cost

Financial assets carried at amortised cost are initially recognised at cost and subsequently re-measured using effective interest rate method. Categories of financial assets measured at amortised cost are given below:

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments under amortised cost representing financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. If there are any impairment losses, those are presented in the statement of profit or loss.

Trade and other receivables

Trade and other receivables are carried at their anticipated realisable values. An estimate is made for impaired trade receivables based on a review of all outstanding amounts at the year-end. Bad debts are written-off during the year in which they are identified. Impairment provision is recognised based on expected losses over the entire life of the trade and other receivables unless these are collectable over more than 12 months, in which case impairment losses are recognised on three stage expected credit losses model developed internally by the Company.

Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash on hand, short term deposits and bank balances net of bank overdrafts.

Short term deposits consists of deposits held with Company's bankers with maturities of 3 months or less and are carried at their anticipated realisable values.

Financial liabilities

The financial liabilities of the Company consist of trade and other payables (excluding employee benefits). These financial liabilities are initially recognised at fair value and are subsequently remeasured at amortised cost using the effective interest method.

a) Trade and other payables

Trade and other payables are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

b) Borrowings and borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. In subsequent periods, these are stated at amortised cost using the effective yield method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

3 Material accounting policy information (continued)

Provisions

The Company recognises provisions when it has a present legal or constructive obligation to transfer economic benefits as a result of past events and a reasonable estimate of the obligation can be made.

Inventories

Inventories of raw materials and packing materials are stated at the lower of cost and net realisable value. Cost, which is determined on the first-in first-out basis, comprises expenditure incurred in the normal course of business in bringing inventories to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business. Where necessary, provision is made for obsolete, slow-moving and defective inventories.

Finished goods are valued at the lower of cost and net realisable value determined on the weighted average basis. Cost comprises of direct materials, direct labour and an appropriate allocation of direct production overheads.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

Treasury shares

Where the Company purchases its own equity shares capital, the consideration paid, including any attributable transaction costs, are deducted from total equity and recorded as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any gain or loss is included in equity.

Deferred revenue

Government grants to purchase property, plant and equipment are recognised as deferred income until the conditions of the grant have been met. Upon meeting the conditions, the grant is transferred to other income or netted against property, plant and equipment.

Employees' benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post employment benefits

Employees' terminal benefits and entitlements to annual leave, holiday, air passage and other short-term benefits are recognised as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain. This is a defined contribution pension plan and the Company's contributions are charged to the statement of profit or loss in the year to which they relate. In respect of this plan, the Company has a legal obligation to pay the contributions as they fall due and no obligation exists to pay the future benefits.

3 Material accounting policy information (continued)

Employees' benefits (continued)

Post employment benefits (continued)

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law. The Company accrues for its liability in this respect on an annual basis until 29 February 2024, thereafter the Company contributes to the leaving indemnity for expatriate employees administered by the Social Insurance Organisation in the Kingdom of Bahrain.

Revenue recognition

Sale of goods

Sale represents sale of chicken, chicks, feed and other miscellaneous income. The Company's contracts with customers for the sale of goods generally include one performance obligation. The Company has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Determining the transaction price

The Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most of the contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Other income

Dividend income from investments is recognised when declared. Bank interests and other income are recognised on accrual basis.

Other revenues earned by the Company are recognised on the accruals basis or when the Company's right to receive payment is established.

Other operating expenses

Overhead expenses are allocated to chickens, feeds and chicks cost center on a pro rata basis.

Proposed appropriations

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

Board members' remuneration

Board members' remuneration is recognised in the statement of profit or loss on accrual basis.

3 Material accounting policy information (continued)

Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses arising from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

4 Critical accounting judgment and key source of estimation uncertainty

Preparation of financial statements in accordance with IFRS Accounting Standards requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

- economic useful lives of property, plant and equipment;
- economic life of right of use assets;
- determination of lease term and borrowing rates for leases;
- classification of investments;
- fair valuation of investments;
- impairment of assets;
- fair value measurement;
- going concern;
- revenue recognition; and
- contingencies.

Economic useful lives of property, plant and equipment

The Company's property, plant and equipment are depreciated on a straight-line basis over their economic useful lives. Economic useful lives of property, plant and equipment are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

4 Critical accounting judgment and key source of estimation uncertainty (continued)

Economic life of right-of-use assets

Right-of-use assets are amortised over their economic useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of profit or loss in specific periods.

The Company's right-of-use assets are amortised on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Economic useful lives of right-of-use assets are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

Determination of lease term and the borrowing rates for leases

The management of the Company exercises judgment while determining if it is reasonably certain while exercising the lease options at the commencement as well as during the lease term. The carrying value of lease liabilities are revised based on certain the variable elements of the future lease payments like rates or index. Determination of incremental borrowing rates used to determine the carrying value of lease liabilities and the discount rates used to determine the carrying value of right-of-use of lease rights involve, to certain extent, management estimates. Any changes to management estimate may have an impact on the term as well as the carrying values of the lease assets and liabilities.

Classification of investments

In the process of applying the Company's accounting policies, management decides on acquisition of an investment whether it should be classified as investments designated at financial asset at fair value through profit or loss, financial asset at fair value through other comprehensive income or financial asset at amortised cost. The classification of each investment reflects the management's intention in relation to each investment and is subject to different accounting treatments based on such classification.

Fair valuation of investments

The Company determines fair values of investments that are not quoted in active markets by using valuation techniques such as discounted cash flows and recent transaction prices. Fair value estimates are made at a specific point in time, based on market conditions and information about the investee companies. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision.

There is no certainty about future events (such as continued operating profits and financial strengths). It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the investments.

In case where discounted cash flow models have been used to estimate fair values, the future cash flows have been estimated by the management based on information from and discussions with representatives of the management of the investee companies, and based on the latest available audited and un-audited financial statements.

4 Critical accounting judgment and key source of estimation uncertainty (continued)

Impairment of assets

(a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its trade receivables and debt instruments carried at amortised cost, FVTPL and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company creates allowance for impaired trade and other receivables to account for estimated losses resulting from the inability of customers to make the required payments. At 31 December 2025, in the opinion of the management, an allowance of BD162,495 (2024: BD141,505) is required for impaired trade receivables and provision of BD167,811 (2024: BD167,811) is required for impaired other receivables. When evaluating the adequacy of the provision for impaired trade receivables, management bases its estimate on current overall economic conditions, ageing of the trade receivable balances, historical write-off experience, customer creditworthiness and changes in payment terms. Changes in the economy, industry or specific customer conditions may require adjustments to the provision for impaired trade receivables recorded in the financial statements.

(b) Other non-financial assets

The carrying amount of the Company's assets or its cash generating unit, other than financial assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset that generates cash flows that largely are independent from other assets. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

The Company creates allowance for obsolete and slow-moving inventories. At 31 December 2025, in the opinion of the Company's management, no allowance was required for obsolete and slow-moving inventories (2024: BD87,500). When evaluating the adequacy of an allowance for obsolete and slow-moving inventories, management bases its estimate on current overall economic conditions, ageing of the inventories, historical write-off experience, and non-movements in inventories. Changes in the economy, industry or specific inventory conditions may require adjustments to the allowance for obsolete and slow-moving inventories recorded in the financial statements.

4 Critical accounting judgment and key source of estimation uncertainty (continued)

Fair value measurement

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs; and

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item and transfers of items between levels are recognised in the period they occur.

The financial and non-financial assets and liabilities of the Company that either require fair value measurements or only fair value disclosures as at 31 December 2025 is shown in Note 30.

Going concern

The management of the Company reviews the financial position on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the shareholders of the Company ensure that they provide adequate financial support to fund the requirements of the Company to ensure the going concern status of the Company.

Revenue recognition

The Company exercises judgment in determining whether a revenue transaction is recognised at a point in time or over time taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Delmon Poultry Company B.S.C.
Notes to the financial statements for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

5 Property, plant and equipment

	Buildings on leasehold lands	Plant, machinery, tools and equipment	Office equipment, furniture and fixtures, vehicles, trucks, IT hardware and software	Capital working-in progress	Total
Cost					
At 31 December 2023	3,722,809	7,184,544	3,003,441	2,950,052	16,860,846
Reclassification	(10,327)	-	10,327	-	-
Transferred from capital working-in progress	1,550,966	1,092,438	84,921	(2,728,325)	-
Additions	-	-	54,782	331,119	385,901
At 31 December 2024	5,263,448	8,276,982	3,153,471	552,846	17,246,747
Transferred from capital working-in progress	31,635	374,643	96,154	(502,432)	-
Additions	91,866	50,703	171,373	271,771	585,713
At 31 December 2025	<u>5,386,949</u>	<u>8,702,328</u>	<u>3,420,998</u>	<u>322,185</u>	<u>17,832,460</u>
Accumulated depreciation					
At 31 December 2023	3,334,291	5,051,369	2,643,377	-	11,029,037
Charge for the year	68,820	237,506	91,810	-	398,136
At 31 December 2024	3,403,111	5,288,875	2,735,187	-	11,427,173
Charge for the year	79,562	261,185	117,322	-	458,069
At 31 December 2025	<u>3,482,673</u>	<u>5,550,060</u>	<u>2,852,509</u>	<u>-</u>	<u>11,885,242</u>
Net book value					
At 31 December 2025	<u>1,904,276</u>	<u>3,152,268</u>	<u>568,489</u>	<u>322,185</u>	<u>5,947,218</u>
At 31 December 2024	<u>1,860,337</u>	<u>2,988,107</u>	<u>418,284</u>	<u>552,846</u>	<u>5,819,574</u>

The depreciation charge for the year has been allocated as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Cost of sales (Note 23)	390,026	359,472
Other operating expenses (Note 24)	68,043	38,664
	<u>458,069</u>	<u>398,136</u>

The reclaimed land at Mina Salman on which the feedmill is built, the land at Hamala on which the administration and the slaughter house were built, and the land at Hamala on which chicks hatchery is built are all leased by the Company.

Capital work-in-progress represent the amounts incurred towards the development of several projects in the chicken processing plant and other Company's assets and the main projects are expected to be completed during 2026.

Delmon Poultry Company B.S.C.
Notes to the financial statements for the year ended 31 December 2025
(Expressed in Bahrain Dinars)

6 Right-of-use assets

	<u>Lands</u>	<u>Total</u>
Cost		
At 31 December 2024 and 2025	<u>676,845</u>	<u>676,845</u>
Accumulated amortisation		
At 31 December 2023	148,067	148,067
Charge for the year	<u>31,512</u>	<u>31,512</u>
At 31 December 2024	179,579	179,579
Charge for the year	<u>31,512</u>	<u>31,512</u>
At 31 December 2025	<u>211,091</u>	<u>211,091</u>
Net book value		
At 31 December 2025	<u>465,754</u>	<u>465,754</u>
At 31 December 2024	<u>497,266</u>	<u>497,266</u>

7 Financial assets at fair value through other comprehensive income

	<u>31 December 2025</u>	<u>31 December 2024</u>
Opening	3,114,206	3,075,975
Change in fair value recognised in other comprehensive income	424,076	46,078
Disposals during the year	<u>(4,686)</u>	<u>(7,847)</u>
Closing balance	<u>3,533,596</u>	<u>3,114,206</u>
Analysis of investments	<u>31 December 2025</u>	<u>31 December 2024</u>
Quoted equity securities	3,468,104	3,044,028
Unquoted equity securities	<u>65,492</u>	<u>70,178</u>
	<u>3,533,596</u>	<u>3,114,206</u>

The investments are denominated in the following currencies:

Currency (Equivalent in Bahrain Dinars)	<u>31 December 2025</u>	<u>31 December 2024</u>
Bahrain Dinars	1,739,600	1,720,786
United States Dollars	1,793,608	1,393,100
UAE Dirhams	<u>388</u>	<u>320</u>
	<u>3,533,596</u>	<u>3,114,206</u>

Financial assets measured at fair value through other comprehensive income include the Company's strategic equity investments that are not held for trading. The Company has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments.

The fair value of quoted investments is based on published market prices. The fair value of the unquoted investments in the opinion of management is equal to its cost as due to the wide range of possible fair value measurement and cost represents the best estimate of fair value within that range.

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8 Financial assets at fair value through profit or loss

	<u>31 December 2025</u>	<u>31 December 2024</u>
Opening balance	705,616	730,097
Disposals during the year	(146,292)	-
Unrealised foreign exchange gain/(loss)	7,605	(3,780)
Unrealised fair value losses for the year	<u>(27,468)</u>	<u>(20,701)</u>
Closing balance	<u>539,461</u>	<u>705,616</u>

The financial assets at fair value through profit or loss represents managed funds and denominated in the following currencies:

Currency (Equivalent in Bahrain Dinars)	<u>31 December 2025</u>	<u>31 December 2024</u>
United States Dollars	423,172	469,318
Great British Pounds	<u>116,289</u>	<u>236,298</u>
	<u>539,461</u>	<u>705,616</u>

The fair value of this managed funds is based on the fund managers valuation received as at 31 December 2025 and 31 December 2024.

9 Investments at amortised cost

	<u>31 December 2025</u>	<u>31 December 2024</u>
Opening balance	250,000	250,000
Matured during the year	<u>(250,000)</u>	-
Closing balance	<u>-</u>	<u>250,000</u>
<i>Analysis of investments</i>	<u>31 December 2025</u>	<u>31 December 2024</u>
Islamic leasing sukuk Kingdom of Bahrain	<u>-</u>	<u>250,000</u>

Investments at amortised cost represent Government of Kingdom of Bahrain bonds carrying coupon interest of 5.5% (2024: 5.5%) per annum and had matured during the year.

Investments at amortised cost are denominated in Bahrain Dinars.

The Company classifies its debt instruments under amortised cost representing financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

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10 Inventories

	31 December 2025	31 December 2024
Finished goods		
- Feed	32,942	48,735
- Frozen/chilled chicken	374,500	320,367
Hatching eggs - hatchery	134,931	131,807
Raw material and packing materials	2,427,189	1,934,847
Spare parts for plant and machinery	<u>683,104</u>	<u>848,012</u>
	3,652,666	3,283,768
Less: allowance for slow-moving and obsolete inventories	<u>-</u>	<u>(87,500)</u>
	<u>3,652,666</u>	<u>3,196,268</u>

The movement in the allowance for slow-moving and obsolete inventories is as follows:

	31 December 2025	31 December 2024
Opening balance	87,500	-
Allowance for the year	122,136	87,500
Written off during the year	<u>(209,636)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>87,500</u>

11 Trade and other receivables

	31 December 2025	31 December 2024
Gross receivables	2,626,834	2,934,064
Less: allowance for impairment	<u>(162,495)</u>	<u>(141,505)</u>
	2,464,339	2,792,559
Advances to suppliers	261,727	336,148
Other receivables	654,514	500,423
Less: impairment allowance on other receivables	<u>(167,811)</u>	<u>(167,811)</u>
	<u>3,212,769</u>	<u>3,461,319</u>

Trade receivables are generally on 30 to 60 days credit terms.

The movement in the allowance for impaired trade receivables is as follows:

	31 December 2025	31 December 2024
Opening balance	141,505	81,505
Allowance during the year	<u>20,990</u>	<u>60,000</u>
Closing balance	<u>162,495</u>	<u>141,505</u>

11 Trade and other receivables (continued)

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Company's historical credit losses experienced over a year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers.

On that basis, the allowance as at 31 December 2025 and 31 December 2024 was determined as follows for trade receivables:

<u>31 December 2025</u>	<u>0-30 days overdue</u>	<u>30-60 days overdue</u>	<u>60-90 days overdue</u>	<u>90+ days overdue</u>	<u>Total</u>
Expected loss rate	0.23%	0.48%	0.96%	28.73%	
Trade receivables	1,011,042	47,660	42,904	555,200	1,656,806
Government and farmers*	-	-	-	-	970,028
Loss allowance	<u>2,326</u>	<u>227</u>	<u>411</u>	<u>159,531</u>	<u>162,495</u>
<u>31 December 2024</u>	<u>0-30 days overdue</u>	<u>30-60 days overdue</u>	<u>60-90 days overdue</u>	<u>90+ days overdue</u>	<u>Total</u>
Expected loss rate	0.25%	0.24%	0.39%	37.84%	
Trade receivables	711,313	291,686	84,578	366,467	1,454,044
Government and farmers*	-	-	-	-	1,480,020
Loss allowance	<u>1,814</u>	<u>701</u>	<u>329</u>	<u>138,661</u>	<u>141,505</u>

*Government and farmer debtors excluded from the calculation:

- **Farmers:** The Company has receivables from as well as payables to the farmer and as at the year end the Company had a net payable to the farmers.
- **Government organisations:** The Company had receivables with the government entities and likelihood of sovereign government default is remote unless there is a bill dispute raised by them. Receivables from government are also subject to the impairment requirements of IFRS 9. However, the identified impairment loss was immaterial.

Unimpaired trade receivables are expected to be fully recoverable and unsecured. It is not the policy of the Company to obtain collateral against the trade receivables. In the opinion of the Company's management, the fair values of the trade and other receivables are not expected to be significantly different from their carrying values.

The Company's trade receivables are primarily denominated in Bahrain Dinars.

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12 Cash and bank balances

	<u>31 December 2025</u>	<u>31 December 2024</u>
Short-term deposits	579,825	549,848
Current account balances with banks	736,655	355,682
Cash on hand	<u>24,988</u>	<u>35,255</u>
	<u>1,341,468</u>	<u>940,785</u>

Short-term deposits held with the Company's bankers earn average rate of return of 5% (2024: 5.7%) per annum, are denominated in Bahrain Dinars and have maturities within 3 months.

Certain current account balances with banks earn market interest rates.

13 Share capital

	<u>31 December 2025</u>	<u>31 December 2024</u>
Authorised		
100,000,000 ordinary shares of 100 fils each (2024: 100,000,000 ordinary shares of 100 fils each)	<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and fully paid-up:		
31,209,277 ordinary shares of 100 fils each (2024: 31,209,277 ordinary shares of 100 fils each)	<u>3,120,928</u>	<u>3,120,928</u>
Treasury shares:		
613,933 treasury shares (2024: 613,933 shares)	<u>122,398</u>	<u>122,398</u>

Additional information on shareholding pattern

- i) The names and nationalities of the major shareholders holding 5% or more of the issued shares as at 31 December 2025 and 31 December 2024 are as follows:

<u>2025</u>	<u>Nationality</u>	<u>Number of shares</u>	<u>Percentage of shareholding interest</u>
Social Insurance Organization	Bahraini	6,002,032	19.23%
Bahrain Food Holding Company W.L.L.	Bahraini	4,681,383	15.00%
Trafco Group B.S.C.	Bahraini	3,159,366	10.12%
Abdulhameed Zainal Mohammed	Bahraini	2,596,857	8.32%
<u>2024</u>	<u>Nationality</u>	<u>Number of shares</u>	<u>Percentage of shareholding interest</u>
Social Insurance Organization	Bahraini	6,002,032	19.23%
Bahrain Investment Holding Co. B.S.C. (c)	Bahraini	4,681,383	15.00%
Trafco Group B.S.C.	Bahraini	3,159,366	10.12%
Abdulhameed Zainal Mohammed	Bahraini	2,596,857	8.32%

13 Share capital (continued)

Additional information on shareholding pattern (continued)

- ii) The Company has only one class of equity shares and the holders of the shares have equal voting rights.
- iii) The distribution of the Company's equity shares analysed by the number of shareholders and their percentage of shareholding as at 31 December is set out below:

<u>2025</u>	<u>Number of shareholders</u>	<u>Number of shares</u>	<u>Percentage of total outstanding shares *</u>
Less than 1%	1,469	8,440,810	27.05%
Between 1% and 5%	11	6,328,829	20.28%
Between 5% and 10%	1	2,596,857	8.32%
Between 10% and 20%	<u>3</u>	<u>13,842,781</u>	<u>44.35%</u>
	<u>1,484</u>	<u>31,209,277</u>	<u>100%</u>

<u>2024</u>	<u>Number of shareholders</u>	<u>Number of shares</u>	<u>Percentage of total outstanding shares *</u>
Less than 1%	1,462	8,465,019	27.12%
Between 1% and 5%	11	6,304,620	20.20%
Between 5% and 10%	1	2,596,857	8.32%
Between 10% and 20%	<u>3</u>	<u>13,842,781</u>	<u>44.36%</u>
	<u>1,477</u>	<u>31,209,277</u>	<u>100%</u>

* Expressed as a percentage of total shares of the Company.

Details of the directors' interest in the Company's shares as at 31 December 2025 and 31 December 2024 are as follows:

	<u>2025 Number of shares</u>	<u>2024 Number of shares</u>
Esaam Abdul Hameed Zainal (<i>Chairman</i>)	106,680	52,500
Rana Fouad Almutawa	678,856	-
Talal Mohamed Abdulla Al Mannai	262,500	262,500
Abdulredha Mohamed Al Daylami	21,000	21,000
Mohamed Sharif Ahmadi	300	-
Abdulhussain Khalil Dewani	-	420,420
Yousuf Saleh Al Saleh	-	319,200
Jaffar Mohamed Ali Al Dhaif	-	40,000
Husain Abdulhameed Al Shehab	-	<u>2</u>
	<u>1,069,336</u>	<u>1,115,622</u>

14 Reserves

(i) Statutory reserve

In accordance with the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve account until such time as a minimum of 50% of the issued share capital is set aside. As this requirement has been met, no amount has been transferred to the statutory reserve for the year ended 31 December 2025 (2024: BDNil).

(ii) General reserve

This is a distributable general reserve intended to fund future capital expenditure.

(iii) Development and raw material reserve

This reserve has been recommended to confront the sudden world-wide increase in raw material prices and for future expansion and development. There are no restrictions on the distributions of this reserve.

(iv) Investment fair value reserve

The fair value reserve includes the gains and losses arising from changes in fair value of financial asset at fair value through other comprehensive income and is recognised in the statement of comprehensive income. During the year, the unrealised fair value gain amounting to BD424,076 (2024: fair value gain of BD46,078) has been transferred to the investment fair value reserve.

(v) Retained earnings

The retained earnings represent the undistributed profits in the equity which is available for distribution to the shareholders.

15 Employees' terminal benefits

Local employees

The contributions made by the Company towards the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 December 2025 amounted to BD287,823 (2024: BD266,328).

Expatriate employees

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	31 December <u>2025</u>	31 December <u>2024</u>
Opening balance	55,808	55,059
Provision for the year	5,988	8,789
Payment during the year	<u>(39,083)</u>	<u>(8,040)</u>
Closing balance	<u>22,713</u>	<u>55,808</u>
The number of staff employed by the Company	<u>237</u>	<u>243</u>

During the year ended 31 December 2024, in accordance with the change in the Social Insurance Organisation ("SIO") regulations made through resolution no. 109 of 2023, effective from 1 March 2024, the employer needs to pay the end-of-service contribution in respect of the expatriate employees registered with SIO and SIO shall disburse the contributed amount to employees on completion of the employment term. The amount accrued by the Company until 29 February 2024, shall be maintained and settled by the Company with the respective employee.

The contributions made by the Company towards the end-of-service gratuity for expatriate nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 December 2025 amounted to BD5,732 (2024: BD5,852).

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16 Short-term borrowings

	31 December <u>2025</u>	31 December <u>2024</u>
Short-term borrowings	<u>858,075</u>	<u>895,498</u>

Short-term loans represent amounts obtained from the Company's bankers to finance the import purchases of the Company. These loans bear interest at the rate of BIBOR%+1.95%-2% (2024: BIBOR%+1.95%-2%) per annum, are pledged over a current account (Note 12) of the Company.

17 Lease liabilities

	31 December <u>2025</u>	31 December <u>2024</u>
Opening balance	607,948	622,600
Interest expenses	19,860	20,556
Lease payments	<u>(40,541)</u>	<u>(35,208)</u>
Closing balance	587,267	607,948
Less: current portion of lease liabilities	<u>(21,404)</u>	<u>(20,680)</u>
Non-current portion of lease liabilities	<u>565,863</u>	<u>587,268</u>

Maturity analysis - contractual undiscounted cash flows:

	31 December <u>2025</u>	31 December <u>2024</u>
One year or less	40,540	40,540
More than one year and less than five years	123,271	169,310
Above five years	<u>600,515</u>	<u>600,515</u>
Total undiscounted lease liabilities	<u>764,326</u>	<u>810,365</u>

18 Trade and other payables

	31 December <u>2025</u>	31 December <u>2024</u>
Trade payables	617,333	636,769
Provision for board remuneration	60,000	61,353
Provision for staff related costs	215,841	242,337
Miscellaneous payables	<u>67,351</u>	<u>90,931</u>
	<u>960,525</u>	<u>1,031,390</u>

Trade payables are generally settled within 30 to 90 days of the suppliers' invoice date.

The amounts stated above equal their fair value as the impact of discounting is not considered significant by management.

19 Bank overdrafts

	31 December <u>2025</u>	31 December <u>2024</u>
Bank overdrafts	<u>-</u>	<u>-</u>
Bank overdraft limit	<u>100,000</u>	<u>100,000</u>

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19 Bank overdrafts (continued)

The Company has bank overdraft facilities to finance the working capital requirements of the Company, which bear an effective interest rate of BIBOR%+2.25% (2024: 2.25%) per annum and with no fixed repayment terms. The Company has not utilised the bank facility as at 31 December 2025.

20 Deferred income

	<u>31 December 2025</u>	<u>31 December 2024</u>
Deferred income	208,437	236,304
Less: current portion of deferred income	<u>(29,122)</u>	<u>(24,112)</u>
Non-current portion of deferred income	<u>179,315</u>	<u>212,192</u>

Deferred income relates to a grant received from Tamkeen amounting to BD69,352 in 2018, 171,757 in 2019 and BD125,245 in 2024 and recognised as other income over the estimated useful life of the related assets being 10 years. That portion of deferred income which is to be amortised within one year from the date of financial statement is classified as current portion of deferred income.

21 Other income

	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
Tamkeen support for wages subsidies	153,735	59,489
Tamkeen support for purchase of machinery	27,867	24,110
Miscellaneous income	<u>14,054</u>	<u>18,204</u>
	<u>195,656</u>	<u>101,803</u>

22 Segmental information

The Company has four main business segments: Chicken, Feed, Chicks and investments and operates in Bahrain only. Accordingly, no geographical segmental information is presented.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit or loss as included in the internal management reports that are reviewed by the Company's Chief Executive Officer and the Board of Directors. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets include all operating assets used by a segment and consist primarily of trade and other receivable, net of impairment provision, inventories and property, plant and equipment. The majority of assets can be directly attributed to individual segments, and any common assets between the segments have been disclosed as unallocated.

Segment liabilities include all operating liabilities and consist principally of trade and other payables and accrued expenses. All common liabilities between the segments have been disclosed as unallocated.

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22 Segmental information (continued)

2025	Chicken	Feed	Chicks	Investments	Unallocated	Total
Sales	12,015,119	6,798,465	1,944,434	-	-	20,758,018
Cost of sales	<u>(10,838,394)</u>	<u>(6,261,253)</u>	<u>(1,886,992)</u>	-	-	<u>(18,986,639)</u>
Gross profit	1,176,725	537,212	57,442	-	-	1,771,379
Other income	7,248	761	1,104	-	186,543	195,656
Other operating expenses	<u>(895,851)</u>	<u>(190,154)</u>	<u>(103,690)</u>	-	-	<u>(1,189,695)</u>
Profit from operation	288,122	347,819	(45,144)	-	186,543	777,340
Investments income	-	-	-	256,737	-	256,737
Finance costs	(5,880)	(10,608)	(1,896)	-	(86,137)	(104,521)
Unrealised fair value losses on financial assets at fair value through profit or loss	-	-	-	<u>(27,468)</u>	-	<u>(27,468)</u>
Profit/(loss) for the year	<u>282,242</u>	<u>337,211</u>	<u>(47,040)</u>	<u>229,269</u>	<u>100,406</u>	<u>902,088</u>
Total assets	<u>6,163,738</u>	<u>3,970,633</u>	<u>2,424,009</u>	<u>4,073,057</u>	<u>2,061,495</u>	<u>18,692,932</u>
Total liabilities	<u>1,317,338</u>	<u>493,992</u>	<u>310,644</u>	-	<u>515,043</u>	<u>2,637,017</u>
2024	Chicken	Feed	Chicks	Investments	Unallocated	Total
Sales	12,266,108	6,764,094	1,940,688	-	-	20,970,890
Cost of sales	<u>(10,900,196)</u>	<u>(6,236,184)</u>	<u>(1,695,954)</u>	-	-	<u>(18,832,334)</u>
Gross profit	1,365,912	527,910	244,734	-	-	2,138,556
Other income	10,552	802	4,674	-	85,775	101,803
Other operating expenses	<u>(971,208)</u>	<u>(230,121)</u>	<u>(136,469)</u>	-	-	<u>(1,337,798)</u>
Profit from operation	405,256	298,591	112,939	-	85,775	902,561
Investments income	-	-	-	256,212	-	256,212
Finance costs	(15,211)	(11,064)	(2,016)	-	(77,011)	(105,302)
Unrealised fair value losses on financial assets at fair value through profit or loss	-	-	-	<u>(20,701)</u>	-	<u>(20,701)</u>
Profit for the year	<u>390,045</u>	<u>287,527</u>	<u>110,923</u>	<u>235,511</u>	<u>8,764</u>	<u>1,032,770</u>
Total assets	<u>2,879,279</u>	<u>4,393,005</u>	<u>2,598,415</u>	<u>4,069,822</u>	<u>4,044,513</u>	<u>17,985,034</u>
Total liabilities	<u>902,547</u>	<u>741,987</u>	<u>274,741</u>	-	<u>907,673</u>	<u>2,826,948</u>

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23 Cost of sales

	<u>Chicken</u>	<u>Feed</u>	<u>Chicks</u>	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
Raw materials costs	8,215,741	5,711,385	1,583,301	15,510,427	15,701,251
Staff costs	1,449,489	215,468	146,259	1,811,216	1,529,253
Depreciation (Note 5)	217,188	106,744	66,094	390,026	359,472
Other costs	<u>955,976</u>	<u>227,656</u>	<u>91,338</u>	<u>1,274,970</u>	<u>1,247,358</u>
	<u>10,838,394</u>	<u>6,261,253</u>	<u>1,886,992</u>	<u>18,986,639</u>	<u>18,832,334</u>

24 Other operating expenses

	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
Staff costs	711,625	930,025
Depreciation (Note 5)	68,043	38,664
Board of directors and executive committee remuneration and fees (Note 28)	146,647	118,750
Professional fees	14,500	14,000
Other expenses	<u>248,880</u>	<u>236,359</u>
	<u>1,189,695</u>	<u>1,337,798</u>

25 Investment income

	<u>Year ended 31 December 2025</u>	<u>Year ended 31 December 2024</u>
Interest income	65,549	88,629
Dividend income	<u>191,188</u>	<u>167,583</u>
	<u>256,737</u>	<u>256,212</u>

26 Earnings per share

	<u>31 December 2025</u>	<u>31 December 2024</u>
Net profit for the year	<u>902,088</u>	<u>1,032,770</u>
Weighted average number of shares outstanding	<u>30,595,344</u>	<u>30,595,344</u>
Earnings per share (fils)	<u>Fils 29</u>	<u>Fils 34</u>

The earnings per share has been computed on the basis of net profit for the year ended 31 December 2025 divided by the weighted average number of shares outstanding for the year total of 31,209,277 net of 613,933 treasury shares. The Company does not have any potentially dilutive ordinary shares. Hence the diluted earnings per share and basic earnings per share are identical.

27 Directors' remuneration and dividends

Directors' remuneration

Accrued and expensed

The Company has accrued and expensed Directors' remuneration of BD60,000 in the year ended 31 December 2025 (2024: BD55,000). Directors' remuneration is expensed in the statement of profit or loss in the year to which it pertains.

Proposed by the Board of Directors

The Company has proposed directors' remuneration of 77,000 to be paid to the Board of Directors of the Company for the year ended 31 December 2025 (2024: BD92,000) This is subject to the approval of shareholders in the Annual General Meeting.

Dividends

Declared and paid

The Annual General Meeting of shareholders held on 26 March 2025 has approved cash dividends of BD428,335 for the year ended 31 December 2024 at 14 fils per share representing 14% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2024 (2023:BD244,763).

Proposed by the Board of Directors

The Board of Directors of the Company have proposed to pay cash dividends to the shareholders of the Company for the year ended 31 December 2025 amounting to BD367,144 at 12 fils per share representing 12% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2025 (2024: BD428,335 at 14 fils per share representing 14% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2024). The proposed dividend only becomes payable once it has been approved by the shareholders in the Annual General Meeting and, accordingly, the proposed dividend has not been accounted for in these financial statements.

28 Transactions and balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Company exercises significant influence, major shareholders, directors and executive management of the Company.

Transactions with entities controlled by directors, or over which they exert significant influence are as per the fixed contract price agreed by the Company, government and those entities. Other related party transactions are conducted on a normal commercial and arm's length basis.

The related party transactions and balances included in these financial statements are as follows:

	31 December 2025			31 December 2024			
	<u>Receivables</u>	<u>Sales</u>	<u>Purchases</u>	<u>Receivables</u>	<u>Payables</u>	<u>Sales</u>	<u>Purchases</u>
Major shareholders	546,094	2,951,207	-	970,847	-	2,840,464	-
Entities controlled by directors	<u>75,465</u>	<u>727,891</u>	<u>922,922</u>	<u>18,712</u>	<u>(62,028)</u>	<u>567,380</u>	<u>911,898</u>
	<u>621,559</u>	<u>3,679,098</u>	<u>922,922</u>	<u>989,559</u>	<u>(62,028)</u>	<u>3,407,844</u>	<u>911,898</u>

28 Transactions and balances with related parties (continued)

Key management personnel of the Company comprise the board of directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors and key management personnel compensation is as follows:

<u>Board of Directors</u>	Year ended 31 December 2025	Year ended 31 December 2024
Board of directors' remuneration for 2025	60,000	-
Board of directors' remuneration for 2024	30,647	55,000
Board of directors' attendance fees for the year	<u>56,000</u>	<u>63,750</u>
	<u>146,647</u>	<u>118,750</u>
<u>Key management personnel compensation</u>	Year ended 31 December 2025	Year ended 31 December 2024
Salary and other short-term benefits	<u>304,651</u>	<u>268,064</u>

29 Capital commitments and contingent liabilities

	31 December 2025	31 December 2024
Outstanding letters of credit and guarantees in the ordinary course of business	79,529	162,582
Capital commitments	<u>11,282</u>	<u>214,460</u>
	<u>90,811</u>	<u>377,042</u>

30 Financial assets and liabilities and risk management

Financial assets and financial liabilities. Financial assets of the Company include cash and bank balances, trade and other receivables, investments at amortised cost and financial assets at fair value. Financial liabilities of the Company include trade payables, short-term borrowings and certain other current liabilities.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss
- Investments at amortised cost
- Cash and bank balances
- Trade and other receivables
- Short-term borrowings
- Trade and other payables

A summary of the financial instruments held by category is provided below as at 31 December 2025 and 31 December 2024:

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30 Financial assets and liabilities and risk management (continued)

<u>2025</u>	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Other amortised cost	Total carrying amount	Fair value
Financial assets:						
Cash and bank balances	-	-	1,341,468	-	1,341,468	1,341,468
Trade and other receivables excluding prepayments	-	-	2,951,042	-	2,951,042	2,951,042
Financial assets at fair value through other comprehensive income	3,533,596	-	-	-	3,533,596	3,533,596
Financial assets at fair value through profit or loss	-	<u>539,461</u>	-	-	<u>539,461</u>	<u>539,461</u>
	<u>3,533,596</u>	<u>539,461</u>	<u>4,292,510</u>	-	<u>8,365,567</u>	<u>8,365,567</u>
Financial liabilities:						
Short-term borrowings	-	-	-	858,075	858,075	858,075
Trade and other payables	-	-	-	<u>960,525</u>	<u>960,525</u>	<u>960,525</u>
	-	-	-	<u>1,818,600</u>	<u>1,818,600</u>	<u>1,818,600</u>
2024						
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Other amortised cost	Total carrying amount	Fair value
Financial assets:						
Cash and bank balances	-	-	940,785	-	940,785	940,785
Trade and other receivables excluding prepayments	-	-	3,125,171	-	3,125,171	3,125,171
Financial assets at fair value through other comprehensive income	3,114,206	-	-	-	3,114,206	3,114,206
Financial assets at fair value through profit or loss	-	705,616	-	-	705,616	705,616
Investment at amortised cost	-	-	<u>250,000</u>	-	<u>250,000</u>	<u>250,000</u>
	<u>3,114,206</u>	<u>705,616</u>	<u>4,315,956</u>	-	<u>8,135,778</u>	<u>8,135,778</u>
Financial liabilities:						
Short-term borrowings	-	-	-	895,498	895,498	895,498
Trade and other payables	-	-	-	<u>1,031,390</u>	<u>1,031,390</u>	<u>1,031,390</u>
	-	-	-	<u>1,926,888</u>	<u>1,926,888</u>	<u>1,926,888</u>

30 Financial assets and liabilities and risk management (continued)

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- interest rate risk
- foreign exchange risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The note also presents certain quantitative disclosures in addition to the disclosures throughout the financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established certain executive management committees, which assist the Board of Directors in effectively discharging their responsibilities for developing and monitoring the Company's risk management policies.

The Company audit committee oversees how management monitors compliance with the Company's risk management procedures and review the adequacy of the risk management practices in relation to the risks faced by the Company. The Company's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company is exposed to credit risk primarily on its cash and bank balances, accounts receivable and debt instruments.

Company's credit risk on cash and bank balances is limited as these are placed with banks in Bahrain having good credit ratings.

About 26% (2024:31%) of the sales are received in cash and the balance being made through credit. The Company manages its credit risk on accounts receivables by restricting its credit sales only to approved list endorsed by the executive management and ensuring that the sales to related parties are as per the internal policies established for transactions with the related parties. Since all of sales of the Company are within Bahrain there is no significant geographical or customer type concentration of credit risk involved in accounts receivable balances. The Company perceives that the account receivable balances are of good credit quality as these are primarily receivable from: a) vendors where the Company has net payable balances, b) customers with good credit standing, and c) related parties with good financial position.

The Company establishes allowance for impairment of accounts receivables when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the accounts receivable is impaired.

30 Financial assets and liabilities and risk management (continued)

Credit risk (continued)

The Company manages credit risk on its investments by ensuring that investments are made only after careful credit evaluation and due diligence of the issuer of the security. The Company limits its exposure to credit risk by mainly investing in debt instruments structured notes managed or promoted by established bank or financial institutions. The Company has an executive committee comprising of four board members, which is responsible for all investment related decisions. Before investing in any new securities the proposal is first placed with the Executive Committee for its approval. Executive Committee approves the proposal after considering all merits and demerits of the proposal.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 December <u>2025</u>	31 December <u>2024</u>
Cash and bank balances	1,341,468	940,785
Trades and other receivables, net of prepayments	2,951,042	3,125,171
Financial assets at fair value through other comprehensive income	3,533,596	3,114,206
Financial assets at fair value through profit or loss	539,461	705,616
Investment at amortised cost	<u>-</u>	<u>250,000</u>
	<u>8,365,567</u>	<u>8,135,778</u>

Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company ensures that a significant amount of the funds are invested in cash and bank balances, which are readily available to meet liquidity requirements.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. All such transactions are carried out within the guidelines set by the Board of Directors.

Geographical concentration of investments

	31 December <u>2025</u>	31 December <u>2024</u>
Kingdom of Bahrain	3,888,182	3,747,178
Other countries	<u>184,875</u>	<u>322,644</u>
	<u>4,073,057</u>	<u>4,069,822</u>

30 Financial assets and liabilities and risk management (continued)

Geographical concentration of investments (continued)

Investment fair value sensitivity analysis is as follows:

<u>Description</u>	<u>Change</u>	<u>Impact on equity</u>
Financial assets at fair value	+/-5%	203,653
Financial assets at fair value	+/-10%	407,306

Other market price risk

The primary goal of the Company's investment strategy is to ensure risk free returns and invest excess surplus fund available with the Company in risk free securities. Market price risk arises from financial assets at fair value held by the Company. The Company's executive committee monitors its investment portfolio considering prevalent market factors. Significant investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Executive Committee.

Interest rate risk

Interest rate risk is the risk that the Company's earnings will be affected as a result of fluctuations in the value of financial instruments due to changes in market interest rates.

The Company's interest rate risk is limited to its interest-bearing short-term borrowings and investment in debt instruments. The Company's short-term borrowing at fixed interest rates and due on short term period. The Company's investment in debt instruments is at variable interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	<u>31 December</u> <u>2025</u>	<u>31 December</u> <u>2024</u>
Investments at amortised cost	<u>-</u>	<u>250,000</u>

Change in market interest rate will not have a significant impact on the carrying value of the bank deposits due to short term characteristics of these deposits and investments.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's earnings will be affected as a result of fluctuations in currency exchange rates.

The Company has exposure to foreign exchange risk on its purchases invoiced in foreign currency, on cash sales in foreign currency and on its certain investment in foreign currency. Predominantly, the purchase of product is from local suppliers. The majority of the foreign currency purchases are in US dollars. The US dollar is pegged against the Bahraini dinar and therefore the company is not exposed to any significant risk.

The Company does not perceive that fluctuations in foreign exchange rates will have any significant impact on the income or equity because the exposure to currencies other than US dollar, which is pegged to Bahrain dinar, is not significant.

30 Financial assets and liabilities and risk management (continued)

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder's value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 December 2025 and 2024.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt are short-term borrowings, trade and other payables and lease liabilities, less cash and bank balances. Capital includes share capital and reserves attributable to the shareholders of the Company.

	31 December 2025	31 December 2024
Short-term borrowings	858,075	895,498
Trade and other payables	960,525	1,031,390
Lease liabilities	587,267	607,948
Less: cash and bank balances	<u>(1,341,468)</u>	<u>(940,785)</u>
Net debt	<u>1,064,399</u>	<u>1,594,051</u>
Total capital	<u>16,055,915</u>	<u>15,158,086</u>
Total capital and net debt	<u>17,120,314</u>	<u>16,752,137</u>
Gearing ratio	<u>6.22%</u>	<u>9.52%</u>

Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments not measured at fair value on recurring basis include trade and other receivables excluding prepayments, cash and bank balances, short-term borrowings and trade and other payables. In the opinion of the management, due to the short-term nature of these financial instruments, the fair value of these financial instruments is not significantly different from their carrying amounts as at 31 December 2025 and 2024.

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30 Financial assets and liabilities and risk management (continued)

Fair value measurement (continued)

The following table sets out the fair value hierarchy of financial instruments measured at fair value on recurring basis along with valuation techniques and significant unobservable imputes used in determining the fair value measurement of financial instruments as well as the inter-relationship between unobservable inputs and fair value:

	<u>Fair value</u>	<u>Level of hierarchy</u>	<u>Valuation technique used and key inputs</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between unobservable inputs and fair value</u>
<u>Financial assets</u>					
Quoted investments	3,468,104 (2024: 3,044,028)	L1	Quoted prices from stock exchanges	Not applicable	Not applicable
Unquoted investments and managed funds	604,953 (2024: 775,794)	L3	Net assets valuation and financial updates received from the respective companies and the fund managers	Expected exit rates, expected future cash flows, net assets and expected profits based taking into account management knowledge and experience of market conditions similar to industry trends.	The higher the future cash flows or profits the higher the fair value of net assets and eventually higher exit rates.

There are no transfers between levels during the year (2024: None).

30 Financial assets and liabilities and risk management (continued)

Fair value measurement (continued)

In the opinion of Company's management, a reasonable possible change in one significant unobservable input, holding other input constant of level 3 financial instruments is not expected to have a significant impact on the profit or loss as well as fair values of level 3 financial instruments as at 31 December 2025.

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below:

	<u>Unquoted investments and managed funds</u>
At 31 December 2023	800,275
Unrealised foreign exchange translation loss included in statement of profit or loss	(3,780)
Unrealised fair value losses included in statement of profit or loss	<u>(20,701)</u>
At 31 December 2024	775,794
Disposals for the year	(150,978)
Unrealised foreign exchange translation gain included in statement of profit or loss	7,605
Unrealised fair value losses included in statement of profit or loss	<u>(27,468)</u>
At 31 December 2025	<u>604,953</u>

31 Subsequent events

There were no events subsequent to 31 December 2025 and occurring before the date of the approval of the financial statements that are expected to have a significant impact on these financial statements.

Delmon Poultry Company B.S.C.
Additional information (Not audited)

Schedule (1): Quantities produced and sold

	Year ended 31 December 2025	Year ended 31 December 2024
Quantities sold		
Chicken	8,605,939 KG	8,547,884 KG
Feed	41,211 ton	40,657 ton
Chicks	9,467,809 chicks	9,459,800 chicks
Quantities produced		
Chicken	8,815,400 KG	8,657,022 KG
Feed	45,422 ton	42,910 ton
Chicks	10,942,570 chicks	10,547,914 chicks