

TANMLIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS AND NINE MONTHS PERIOD
ENDED SEPTEMBER 30, 2022**

**TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

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INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders of
Tanmiah Food Company
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tanmiah Food Company, a Saudi Joint Stock Company ("the Company") and its subsidiaries (together "the Group") as at September 30, 2022, and the related interim condensed consolidated statement of comprehensive income for the three months and nine months period then ended and the interim condensed consolidated statements of changes in equity and cash flows for the nine months period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated condensed financial information in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

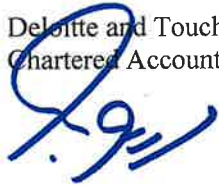
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

Other matter

The financial statements of the Company for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 14 Rajab 1443H, corresponding to February 15, 2022.

Deloitte and Touche & Co
Chartered Accountants



Mazen A. Al Omari
License No 480
9 Rabi II 1444H
November 3, 2022



TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	Notes	For the three months period ended September 30,		For the nine months period ended September 30,	
		2022 SR	2021 SR	2022 SR	2021 SR
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	15,21	559,508,749	389,938,746	1,525,417,566	1,124,793,862
Cost of sales	16	(417,601,887)	(304,800,382)	(1,158,501,889)	(872,152,080)
Gross profit		141,906,862	85,138,364	366,915,677	252,641,782
Selling and distribution expenses	17	(66,323,028)	(50,654,125)	(185,485,582)	(140,536,669)
General and administrative expenses	18	(30,378,721)	(23,061,820)	(85,614,814)	(62,232,350)
Impairment loss on financial assets	9	(1,025,000)	(156,010)	(2,170,000)	(2,889,605)
Other income		143,476	163,432	697,652	714,984
Operating profit		44,323,589	11,429,841	94,342,933	47,698,142
Finance costs		(11,292,065)	(6,879,780)	(25,664,789)	(18,743,363)
Profit before zakat		33,031,524	4,550,061	68,678,144	28,954,779
Zakat	13	(1,294,966)	(836,945)	(5,200,056)	(3,033,852)
NET PROFIT FOR THE PERIOD		31,736,558	3,713,116	63,478,088	25,920,927
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Re-measurements of employee benefit obligations		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		31,736,558	3,713,116	63,478,088	25,920,927
Basic and diluted earnings per share	20	1.59	0.19	3.17	1.30

Chairman of the Board of Directors

Chief Executive Officer

Chief Financial Officer

The accompanying notes form an integral part of these interim condensed consolidated financial information

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Notes	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	316,302,216	254,249,228
Right-of-use assets	6	362,814,107	236,694,369
Intangible assets		3,408,098	2,667,011
Financial assets at fair value through other comprehensive income		773,983	773,983
Total non-current assets		683,298,404	494,384,591
Current assets			
Inventories	7	400,715,853	213,996,555
Biological assets	8	118,502,927	87,611,058
Contract assets		4,066,123	4,100,209
Trade receivables and other debtors	9	241,779,195	217,274,506
Prepayments and other receivables	10	180,873,171	124,388,769
Cash and cash equivalents		125,399,917	185,891,241
Total current assets		1,071,337,186	833,262,338
TOTAL ASSETS		1,754,635,590	1,327,646,929
EQUITY AND LIABILITIES			
Equity			
Share capital	1	200,000,000	200,000,000
Statutory reserve		15,879,313	15,879,313
Retained earnings		193,713,520	140,323,346
Total equity		409,592,833	356,202,659
Non-current liabilities			
Employee benefit obligations		110,848,829	98,755,351
Lease liabilities	6	261,973,310	151,092,645
Borrowings	11	-	27,384,992
Total non-current liabilities		372,822,139	277,232,988
Current liabilities			
Borrowings	11	395,703,365	295,765,461
Trade payables, accruals and other liabilities	12	492,883,310	326,325,165
Lease liabilities	6	75,502,448	63,483,158
Provision for zakat	13	8,131,495	8,637,498
Total current liabilities		972,220,618	694,211,282
Total liabilities		1,345,042,757	971,444,270
TOTAL EQUITY AND LIABILITIES		1,754,635,590	1,327,646,929


Chairman of the Board of Directors


Chief Executive Officer

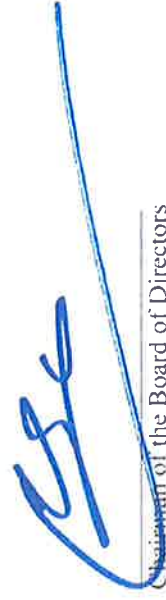

Chief Financial Officer

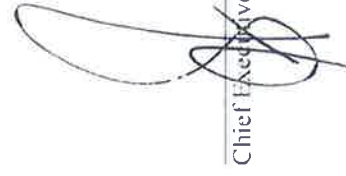
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TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	Share capital SR	Statutory reserve SR	Retained earnings SR	Total SR
Balance at January 1, 2022 (audited)	200,000,000	15,879,313	140,323,346	356,202,659
Net profit for the period	-	-	63,478,088	63,478,088
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	63,478,088	63,478,088
Dividend distribution (note 22)	-	-	(10,198,135)	(10,198,135)
Zakat reimbursed by the shareholder	-	-	110,221	110,221
Balance at September 30, 2022 (unaudited)	200,000,000	15,879,313	193,713,520	409,592,833
Balance at January 1, 2021 (audited)	200,000,000	14,523,655	133,011,913	347,535,568
Net profit for the period	-	-	25,920,927	25,920,927
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	25,920,927	25,920,927
Zakat reimbursed by the shareholder	-	-	196,036	196,036
Balance at September 30, 2021 (unaudited)	200,000,000	14,523,655	159,128,876	373,652,531


Chairman of the Board of Directors


Chief Executive Officer


Chief Financial Officer

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TANMIAH FOOD COMPANY
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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	September 30, 2022 SR	September 30, 2021 SR
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before zakat	68,678,144	28,954,779
Adjustments for:		
Depreciation on property, plant and equipment	20,646,436	16,937,685
Depreciation on right-of-use assets	68,337,799	50,606,599
Amortisation of intangible assets	412,410	415,690
Impairment loss on financial assets	2,170,000	2,889,605
Provision for slow-moving inventories	3,946,829	3,420,723
Net loss on disposal and write-off of property, plant and equipment	2,558	5,449
Provision for employee benefit obligations	13,721,499	15,379,725
Government subsidy accrued	(41,430,455)	(42,245,107)
Loss on termination of lease contracts	281,361	100,259
Finance costs	13,485,114	10,261,258
Interest on lease liabilities	12,179,675	8,482,105
Changes in operating assets and liabilities:		
Inventories	(190,666,127)	(33,277,513)
Trade receivables and other debtors	(26,609,877)	258,885,165
Biological assets	(30,891,869)	1,366,856
Contract assets	34,086	(2,361,946)
Prepayments and other receivables	(15,053,947)	17,381,968
Trade payable, accruals and other liabilities	167,531,305	30,236,823
Cash generated from operations	66,774,941	367,440,123
Employee benefit obligations paid	(2,665,993)	(4,125,312)
Zakat paid	(5,595,838)	(7,083,549)
Finance costs paid	(10,656,966)	(10,558,610)
Net cash generated from operating activities	47,856,144	345,672,652
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchases of property, plant and equipment	(82,710,629)	(87,837,199)
Proceeds from disposal of property, plant and equipment	8,647	3,000
Payments for additions to intangible assets	(1,153,497)	-
Net cash used in investing activities	(83,855,479)	(87,834,199)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	(84,018,618)	(58,758,768)
Short term borrowings	100,296,653	(9,568,828)
Proceeds from long-term borrowings	26,495,802	22,607,400
Repayment of long-term borrowings	(57,067,691)	(2,500,000)
Dividends paid	(10,198,135)	-
Net cash used in financing activities	(24,491,989)	(48,220,196)
Net (decrease) increase in cash and cash equivalents	(60,491,324)	209,618,257
Cash and cash equivalents at the beginning of the period	185,891,241	60,459,134
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	125,399,917	270,077,391

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	September 30, 2022 SR	September 30. 2021 SR
Supplemental non-cash information:		
Employee termination benefits transferred from accrued and other liabilities	973,160	-
Employee benefit obligations transferred to a related party	-	(3,517)
Employee benefits obligation transferred from a related party	64,812	90,871
Reimbursement of zakat by the shareholder	110,221	196,036
Addition to right-of-use assets and lease liabilities	197,374,797	70,210,187
Lease liabilities written off due to termination of lease contracts	2,635,899	1,921,982
Right-of-use assets written off due to termination of lease contracts	(2,917,260)	(3,274,189)
Receivable recognised from a lessor on termination of lease contracts	-	1,251,948

 Chairman of the Board of Directors Chief Executive Officer Chief Financial Officer

The accompanying notes form an integral part of these interim condensed consolidated financial information

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

1. CORPORATE INFORMATION

Tanmiah Food Company (the “Company”) is a Saudi Joint Stock Company registered under commercial registration number 1010087483. The Company’s head office is located at P.O. Box 86909, Riyadh 11632, Kingdom of Saudi Arabia. The Company and its various subsidiaries (collectively the “Group”) are registered in the Kingdom of Saudi Arabia as well as in United Arab Emirates (“UAE”) and in the Kingdom of Bahrain (“Bahrain”).

The Group is principally engaged in food and agriculture business which include manufacturing, wholesale and retail trading in foodstuff, preparation of animal and poultry feeds for commercial purposes, construction of poultry farms, retail and wholesale trading in poultry equipment and restaurant outlets with related services.

At September 30, 2022 and December 31, 2021, the Company’s share capital of SR 200 million consisted of 20 million issued and fully paid shares of SR 10 each.

The Company’s application with the Capital Market Authority (“CMA”) for the Initial Public Offering (IPO) of 30% of its share capital, on the Saudi Stock Exchange (Tadawul) in accordance with the Rules on the Offer of Securities and Continuing Obligations issued by CMA was approved and the Company’s shares started trading on Tadawul on August 4, 2021. The Company has been categorised as a Saudi Joint Stock Company since then.

The Group’s principal subsidiaries at September 30, 2022 and December 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Subsidiary	Country of incorporation	Effective ownership at September 30, 2022	Effective ownership at December 31, 2021	Principal activities
Agricultural Development Company Limited (“ADC”)	Kingdom of Saudi Arabia	100%*	100%	Wholesale trading in poultry products and agricultural produce
Supreme Foods Processing Company Limited (“SFPC”)	Kingdom of Saudi Arabia	100%*	100%	Manufacturing and preparation of various types of meat products.
Desert Hills Veterinary Services Company Limited (“DHV”)	Kingdom of Saudi Arabia	100%	100%	Wholesale and retail trading in machines and equipment in the field of animal care, animal shelters, animal feed, chicks and hatching eggs, veterinary lab equipment and medicines, along with marketing and import and export of related items.
Perfect Foods Factory LLC (“PFF”)	United Arab Emirates (UAE)	100%*	100%	Manufacturing and sale of meat and poultry products
Supreme Foods Bahrain W.L.L. (“SFB”)	Kingdom of Bahrain	100%*	100%	General trading
Al Tanmiah International General Trading L.L.C (Formerly Dabbagh International (UAE) (L.L.C))	United Arab Emirates (UAE)	100%	100%	Dormant company
Gulf Brand for Fast Foods Company (“GBFFC”)	Kingdom of Saudi Arabia	100%	100%	Restaurant outlets with related services

*Subsequently in November 2022, the effective ownership of ADC and SFB has reduced to 85% and effective ownership of SFPC and PFF has been reduced to 40%.

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

1. CORPORATE INFORMATION (CONTINUED)

On July 5, 2022, the Group entered into an agreement with a US based company Tyson International Holding Company, a wholly owned subsidiary of Tyson Foods, Inc., a company listed in the New York Stock Exchange ("Tyson") and agreed to sell an equity stake in each of the Group's wholly owned subsidiaries, Agricultural Development Company ("ADC") and Supreme Foods Processing Company ("SFPC") for a consideration of USD 75.4 million (equivalent to SAR 284.4 million), subject to any customary purchase price adjustments made in light of the completion accounts under the Sale and Purchase Agreement (SPA). The transaction was subject to the approval of regulatory authorities in the Kingdom of Saudi Arabia. The agreement is also subject to certain completion conditions to be completed before the long stop date (December 5, 2022) under the SPA which includes the approval from the various regulatory authorities in the Kingdom of Saudi Arabia. As at, September 30, 2022 the completion conditions mentioned in the SPA have not been materially completed including some of these regulatory approvals. However, the Group post September 30, 2022, has completed the completion conditions and management has announced the completion of the transaction on the Tadawul stock exchange on November 2, 2022.

The transaction and the strategic partnership to be formed between the Group and Tyson is being entered into as part of the Group's ongoing efforts to meet the growing global demand for protein products. After the transaction, the Group will maintain an 85% ownership in ADC and a 40% ownership in SFPC. Effective November 1, 2022 the ownership has been changed and the legal formalities associated with the amendment of Articles of Association and commercial registration have been completed.

The details of the consolidated assets and liabilities of SFPC and its subsidiary (PFF) as at September 30, 2022 are as follows:

	SR
Current assets	219,886,198
Non-current assets	100,449,506
Total assets	320,335,704
Total liabilities	(186,149,081)
Net assets	134,186,623
Sale of net assets (60%)	80,511,974

The sale of ownership in SPFC and its subsidiary will impact the geographical segment as follows:

	September 30, 2022 (unaudited)				Total SR
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Bahrain SR	Other GCC countries SR	
Property, plant and equipment	(33,796,927)	(36,338,263)	-	-	(70,135,190)
Right-of-use assets	(11,565,272)	(18,718,926)	-	-	(30,284,198)
Intangible assets	(11,293)	(18,825)	-	-	(30,118)
Revenue – at a point in time	(181,650,842)	(68,083,428)	(2,704,402)	(40,628,203)	(293,066,875)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

1. CORPORATE INFORMATION (CONTINUED)

Impact of COVID - 19

In response to the spread of COVID-19 in Gulf Cooperation Council (“GCC”) and its resulting disruptions to the social and economic activities in those markets over the last two years, the Group’s management continues to proactively assess its impacts on its operations and the preventive measures taken by the Group in 2020 and 2021 are still in effect. The Group’s management has considered the potential impacts of COVID-19 on the Group’s operations and concluded that as of the date of approval of these condensed consolidated interim financial information, the COVID-19 pandemic has had no direct material impact on the Group’s financial results and no significant changes are required to the judgements and key estimates used in the preparation of the Group’s condensed consolidated interim financial information for the nine-months period ended September 30, 2022.

The Group continues to monitor the COVID-19 situation closely and at this time the Group management is not aware of any factors that are expected to change the impact of the pandemic on the Group’s operations during 2022 or beyond.

During the three-months period ended March 31, 2022 global commodity prices for certain key raw materials increased significantly primarily due to the ongoing conflict between Russia and Ukraine. The increase in raw material prices had a significant impact on the gross margins and profitability of the Group and in particular its subsidiary, Agricultural Development Company Limited (“ADC”). The management has revised the selling price of the products to reduce the impact of cost escalation in raw material effective March 31, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these interim condensed consolidated financial information of the Group are consistent with those of the previous financial year and corresponding interim reporting period.

Basis of preparation

This interim condensed consolidated financial information of the Group has been prepared in compliance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) as promulgated by the International Accounting Standards Board (“IASB”), interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) as endorsed by Saudi Organization for Certified Public Accountants (SOCPA) and the requirements of the laws and regulations in Saudi Arabia.

This interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2021. IAS 34 states that the interim condensed consolidated financial information is intended to provide an update on the latest complete set of annual financial statements. Hence, IAS 34 requires less disclosure in interim financial information than IFRS requires in annual financial statements.

The Group has elected to present a single interim condensed consolidated statement of comprehensive income and presents its expenses by function.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

This interim condensed consolidated financial information has been prepared on a historical cost basis, except for the following material items in the interim condensed consolidated statement of financial position:

- The employee benefit obligation, which is recognised at the present value of future obligations using the Projected Unit Credit Method.
- Biological assets, where fair value is reliably measurable, are measured at fair value.
- Equity investments at fair value through other comprehensive income (“FVOCI”) are measured at fair value.

This interim condensed consolidated financial information is presented in Saudi Riyals (SR), which is the functional currency of all the Group entities except for Perfect Foods Factory (“PFF”) and Supreme Food Bahrain. The functional currency of PFF and Supreme Food Bahrain is United Arab Emirates Dirhams and Bahraini Dinar respectively. The presentation currency of the Group is SR. This interim condensed consolidated financial information has been rounded-off to nearest SR, unless otherwise stated.

The activities of the Group are evenly spread throughout the year, therefore there is no seasonal or cyclical changes that affect the Group’s operations.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

New and amended standards adopted by the Group

There are no new relevant IFRS or IFRS interpretations that are not yet effective that would be expected to have a material impact on the Group’s financial information. However, there are a number of amendments to IFRS which are effective from January 1, 2022 but they do not have any material effect on Group’s condensed consolidated interim financial information.

The following revised amended standards have been adopted in the condensed interim financial information.

- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework.
- Amendments to IAS 16 Property, Plant and Equipment related to proceeds before intended use.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets related to Onerous Contracts—Cost of Fulfilling a Contract.
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1, IFRS 9, and IAS 41.

There has been no material impact on the condensed interim financial information of the Group upon adoption of the above amended standards.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New and amended standards not effective and not yet adopted by the Group

At the date of the condensed consolidated interim financial information, the following other standards, amendments and interpretations have not been effective and have not been early adopted by the Group:

- IFRS 17 Insurance contracts - effective from January 01, 2023
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - effective date not yet decided
- Amendments to IAS 1 Presentation of Financial Statements - effective from January 01, 2023
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - effective from January 01, 2023
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - effective from January 01, 2023
- Amendments to IAS 12 Income Taxes - effective from January 01, 2023
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 16 – effective date not yet decided.

The Management anticipates that the application of the above amendments in future periods will have no material impact on the condensed interim financial information of the Group in the period of initial application.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Preparation of the Group's condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period were the same as those described in the latest annual consolidated financial statements with the addition of the following matter. The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group.

Disclosure relating to discontinued operations not required

As described in note 1, the Group has entered into an agreement with a US based company Tyson International Holding Company, a wholly owned subsidiary of Tyson Foods, Inc., a company listed in the New York Stock Exchange ("Tyson") and agreed to sell an equity stake in ADC and SFPC, the Group's wholly owned subsidiaries. As at September 30, 2022, the conditions which are required to be completed to conclude the transaction have not been completed as per the SPA.

The Group has therefore continued to fully consolidate both subsidiaries as at September 30, 2022 and not applied the requirements of IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations to treat the assets and liabilities of SFPC as an asset held for disposal, as the tests that the transaction is highly probable and the asset is available for immediate sale were only met subsequent to the reporting period.

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

5. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2022 SR <u>(Unaudited)</u>	December 31, 2021 SR <u>(Audited)</u>
Net book value at the beginning of the period / year	254,249,228	155,299,479
Additions	82,710,629	122,158,354
Disposals	(11,202)	(5,719)
Write-off	(3)	(6,041)
Depreciation for the period/ year	<u>(20,646,436)</u>	<u>(23,196,845)</u>
Carrying value at the end of the period/ year	<u>316,302,216</u>	<u>254,249,228</u>

The additions during the nine month period ended September 30, 2022 amounting to SR 82.7 million (December 31, 2021: SR 122.2 million), mainly represent additions to capital work-in-progress for construction of feed mill, expansion of the current capacity of the processing plant and hatchery expansion.

6 LEASES

The Group leases various accommodations, warehouses, buildings, poultry processing plants, farms, vehicles and offices. Rental contracts are typically made for fixed periods of 2 to 45 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Right-of-use assets:

<u>2022</u>	<u>Vehicles</u> SR	<u>Building</u> SR	<u>Total</u> SR
Cost			
At January 1, 2022 (Audited)	103,731,400	303,697,063	407,428,463
Additions	39,421,397	157,953,400	197,374,797
Write off	(6,721,616)	(1,993,257)	(8,714,873)
At September 30, 2022 (Unaudited)	<u>136,431,181</u>	<u>459,657,206</u>	<u>596,088,387</u>
Accumulated depreciation			
At January 1, 2022 (Audited)	43,348,741	127,385,353	170,734,094
Depreciation for the period	20,579,079	47,758,720	68,337,799
Write off	(4,609,222)	(1,188,391)	(5,797,613)
At September 30, 2022 (Unaudited)	<u>59,318,598</u>	<u>173,955,682</u>	<u>233,274,280</u>
Net book value			
At September 30, 2022 (Unaudited)	<u>77,112,583</u>	<u>285,701,524</u>	<u>362,814,107</u>

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6 LEASES (CONTINUED)

<u>2021</u>	<u>Vehicles</u> <u>SR</u>	<u>Building</u> <u>SR</u>	<u>Total</u> <u>SR</u>
Cost			
At January 1, 2021 (Audited)	67,430,557	232,944,826	300,375,383
Additions	36,300,843	74,678,034	110,978,877
Write off	-	(3,925,797)	(3,925,797)
At December 31, 2021 (Audited)	<u>103,731,400</u>	<u>303,697,063</u>	<u>407,428,463</u>
Accumulated depreciation			
At January 1, 2021 (Audited)	23,809,376	76,835,818	100,645,194
Depreciation for the year	19,539,365	51,201,143	70,740,508
Write off	-	(651,608)	(651,608)
At December 31, 2021 (Audited)	<u>43,348,741</u>	<u>127,385,353</u>	<u>170,734,094</u>
Net book value			
At December 31, 2021 (Audited)	<u>60,382,659</u>	<u>176,311,710</u>	<u>236,694,369</u>

Lease Liabilities:

	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
At beginning of period / year	214,575,803	179,152,448
Additions	197,374,797	110,978,877
Write off	(2,635,899)	(1,921,982)
Interest	12,179,675	11,671,069
Lease payments	(84,018,618)	(85,304,609)
At end of period / year	<u>337,475,758</u>	<u>214,575,803</u>

Lease liabilities are presented in the interim condensed consolidated statement of financial position as follows:

	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Lease liabilities		
Current	75,502,448	63,483,158
Non-current	261,973,310	151,092,645
	<u>337,475,758</u>	<u>214,575,803</u>

During the nine-month period ended September 30, 2022 the Group has terminated a few lease contracts and resultantly lease liabilities and right-of-use assets were written off and a net loss of SR 0.3 million (September 30, 2021: net loss of SR 0.1 million), was realised in the interim condensed consolidated statement of comprehensive income.

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6 LEASES (CONTINUED)

Depreciation charge on right-of-use assets has been allocated as follows:

	Nine-months period ended	
	September 30, 2022	September 30, 2021
	SR	SR
	(Unaudited)	(unaudited)
Cost of sales (note 16)	44,609,678	34,718,862
Selling and distribution expenses (note 17)	21,595,813	14,875,274
General and administrative expenses (note 18)	2,132,308	1,012,463
	68,337,799	50,606,599

Expense relating to short-term leases recognised in the interim condensed consolidated statement of comprehensive income:

	Nine-months period ended	
	September 30, 2022	September 30, 2021
	SR	SR
	(Unaudited)	(unaudited)
Expense relating to short-term leases (included in cost of sales, selling and distribution expenses and general and administrative expenses)	18,691,623	11,235,804

7 INVENTORIES

	September 30, 2022	December 31, 2021
	SR	SR
	(Unaudited)	(Audited)
Raw materials	249,356,599	127,636,326
Poultry meats and other food stuff	41,222,198	22,728,798
Finished goods	34,462,850	19,353,260
Animal health products	30,289,806	12,801,141
Packaging materials	18,159,349	13,722,745
Spare parts	15,491,778	12,033,956
Equipment for sale	12,553,023	6,933,771
Goods-in-transit	-	1,284,606
Other	9,018,490	5,507,720
	410,554,093	222,002,323
Less: provision for slow-moving inventories	(9,838,240)	(8,005,768)
	400,715,853	213,996,555

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7 INVENTORIES (CONTINUED)

Movement in provision for slow-moving inventories is as follows:

	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Opening balance	8,005,768	6,822,908
Additions during the period / year	3,946,829	5,759,010
Write-offs during the period / year	(2,114,357)	(4,576,150)
	<u>9,838,240</u>	<u>8,005,768</u>

8 BIOLOGICAL ASSETS

	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Broiler birds	33,674,746	30,312,999
Breeder birds – rearing & production	69,498,687	45,517,325
Hatchery eggs	15,329,494	11,780,734
	<u>118,502,927</u>	<u>87,611,058</u>

The fair value measurements for the broiler birds and hatchery eggs have been categorised as Level 3 in the fair value hierarchy based on the inputs to the valuation techniques used. Valuation techniques and significant unobservable inputs used for valuation of biological assets are as below:

Biological assets	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Live broiler birds	The valuation model considers the average weight of bird, mortality and the estimated selling price less cost to sell [including the additional cost required to bring the birds as ready to sell (i.e. feed cost, medicines and overheads)].	- Mortality of birds - Average weight of birds - Processing loss - Sales price of fully-grown bird less cost to sell.	The estimated fair value would increase/ (decrease) if: -Mortality was lower/ (higher). -Average weight of birds higher/ (lower). -Processing loss was lower/ (higher) -Selling price of fully-grown bird less cost to sell was higher/ (lower).
Hatchery eggs	The valuation model considers the actual selling price less cost to sell [including the additional cost required to bring the eggs as ready to sell (i.e. overhead and vaccine cost)].	- Hatchability of the eggs	The estimated fair value would increase/ (decrease) if the hatchability was higher/ (lower).

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9 TRADE RECEIVABLES AND OTHER DEBTORS

	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Trade receivables	250,468,215	228,278,582
Due from related parties (note 14)	8,393,794	3,963,055
	258,862,009	232,241,637
Less: provision for impairment of trade receivables and other debtors	(17,082,814)	(14,967,131)
	241,779,195	217,274,506

Due from related parties as at September 30, 2022 comprises of trade receivables amounting to SR 4.5 million (December 31, 2021: SR 2.0 million) and other receivables amounting to SR 3.9 million (December 31, 2021: SR 1.9 million).

Movement in provision for impairment of trade receivables and other debtors is as follows:

	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Opening balance	14,967,131	11,763,628
Additions during the period / year	2,170,000	3,507,127
Write-offs during the period / year	(54,317)	(303,624)
Closing balance	17,082,814	14,967,131

Impairment losses on financial assets recognised in the interim condensed consolidated statement of comprehensive income are summarised as follows:

	Weighted average loss rate	Gross carrying amount	Loss allowance
September 30, 2022 (Unaudited)	6.82%	250,468,215	17,082,814
December 31, 2021 (Audited)	6.56%	228,278,582	14,967,131

10. PREPAYMENTS AND OTHER RECEIVABLES

	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Advances to suppliers	99,807,558	71,872,104
Prepaid expenses	43,753,715	29,392,947
Other receivables	18,975,058	8,241,140
Employee receivables	7,243,665	6,994,959
Government subsidy receivable	11,093,175	7,887,619
	180,873,171	124,388,769

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10. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Movements in government subsidy receivable is as follows:

	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Opening balance	7,887,619	11,892,836
Additions during the period / year	41,430,455	49,870,724
Collections during the period / year	(38,224,899)	(53,875,941)
Closing balance	11,093,175	7,887,619

11 BORROWINGS

	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
<i>Non-current</i>		
Long-term bank loan	-	80,327,652
Less: Current portion of long-term bank loan	-	(52,942,660)
	-	27,384,992
<i>Current</i>		
Short-term bank loans	341,260,387	240,963,734
Current portion of long-term bank loan	49,755,763	52,942,660
Interest payable	4,687,215	1,859,067
	395,703,365	295,765,461

The Group has short-term and long-term loan facilities from commercial banks of SR 749.9 million (December 31, 2021: SR 631.3 million) and SR 162.3 million (December 31, 2021: SR 147.8 million) respectively. The unused balance of these facilities as at September 30, 2022 is SR 156.1 million and SR 6.7 million (December 31, 2021: SR 241.9 million and SR 36.7 million) respectively. These facilities bear finance costs at market rates, which are generally based on Saudi Inter Bank Offered Rate ("SIBOR"). Short-term facilities are collateralised by promissory notes signed by the borrowing entities of the Group, and by corporate guarantees by Al Dabbagh Group Holding Company ("ADGHC"), and cross and corporate guarantees from the entities of the Group. The average interest rates during the nine-month period ended September 30, 2022 on these facilities varied between 1.7% to 7.1% per annum (December 31, 2021: 1.7% to 5.3% per annum).

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12 TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES

	September 30, 2022 SR (Unaudited)	December 31, 2021 SR (Audited)
Trade payables	309,111,570	190,765,551
Accrued employee-related costs	89,308,674	60,252,096
Accrued expenses	72,023,042	54,500,555
Utilities payable	4,921,907	5,127,392
Advances from customers	3,010,302	3,261,691
Contract liabilities	165,167	751,837
Due to related parties (note 14)	15,061	3,709,926
Others	14,327,587	7,956,117
	492,883,310	326,325,165

13 ZAKAT

The Company and its subsidiaries registered in the Kingdom of Saudi Arabia file the zakat declaration on a consolidated basis in accordance with the regulations of the Zakat, Tax and Customs Authority (the "ZATCA").

The Zakat is based on the interim condensed financial information of the Group. The movement in Group's zakat provision is as follows:

	September 30, 2022 SR (unaudited)	December 31, 2021 SR (audited)
Opening balance	8,637,498	9,910,323
Provided during the period / year	5,235,599	5,741,602
Over provision for prior year	(35,543)	888,183
Payment of zakat reimbursed by the shareholder	(110,221)	(819,061)
Paid during the period / year	(5,595,838)	(7,083,549)
Closing balance	8,131,495	8,637,498

During 2019, the Company entered into an agreement with ADGHC, ultimate parent, whereby all liabilities relating to additional zakat assessments up to the year ended December 31, 2018 will be reimbursed to the Company by ADGHC. In 2021, such reimbursement amounted to SR 0.8 million which was credited to retained earnings, being a transaction with owners in their capacity as owners, with a corresponding impact to receivables from ADGHC.

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13 ZAKAT (CONTINUED)

The Company has finalised its zakat assessments with the ZATCA up to 2010. From 2011 to 2013, the Company obtained approval from the ZATCA to file a consolidated zakat declaration and has accordingly accrued zakat for such years on a consolidated basis. During 2014, due to the transfer of its shares in ADC, DHV and SFPC, the Company's effective shareholding in such subsidiaries became less than 100% and therefore, the Company filed an unconsolidated zakat return for the years ended 2014 through 2018 while ADC, DHV, and SFPC filed separate zakat returns for such years.

In 2021, the Company had received the zakat assessment for assessment year 2015 with an additional zakat liability of SR 1.1 million. The Company had filed an appeal with the General Secretariat of Tax Committee ("GSTC") against such assessment and the Group management expects the assessment to be set aside in the favour of the Company. Accordingly, no provision has been recorded in the interim condensed consolidated financial information as at September 30, 2022. Further during the period ended September 30, 2022, the Company received the zakat assessment for assessment year 2016 with an additional zakat liability of SR 0.03 million. The Company has made the payment under protest and recharged to ADGHC as per the agreement between the Company and ADGHC.

During 2019, the Company regained 100% effective shareholding in ADC, SFPC and DHV and after obtaining the approval of the ZATCA, reverted to filing the Group's zakat return on a consolidated basis for the years 2019 thereon. Final assessments for such years are currently pending with the ZATCA.

In 2021, the ZATCA finalized ADC's zakat assessments for the assessment years 2016 and 2017 by assessing additional liability of SR 0.4 million and SR 0.2 million, respectively which ADC has paid under protest in 2021 and recharged to ADGHC as per the agreement between the Company and ADGHC. No other assessment has yet been issued for ADC.

In 2020, SFPC had received zakat assessment for assessment years 2015 through 2018 with an additional zakat liability of SR 4.1 million. SFPC had filed an appeal with the GSTC against such assessments and expects these assessments to be set aside in the favour of SFPC. Management of the Group believes that the provision recorded against such assessment in the interim condensed consolidated financial information as at September 30, 2022, is adequate for any potential outflow as a result of finalization of the appeal with GSTC.

In 2020, DHV had received zakat assessment for assessment years 2017 and 2018 with an additional zakat liability of SR 0.5 million and SR 0.2 million, respectively. DHV had filed an appeal with GSTC against such assessments. During the period ended September 30, 2022, the GSTC has finalized the zakat assessment of DHV for the year 2018 by assessing additional zakat liability of SR 0.083 million which the company has settled.

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14. RELATED PARTY TRANSACTIONS AND BALANCES

The Company is a member of an affiliated Group of companies, which are directly or indirectly controlled by ADGHC, the ultimate parent.

Following is the list of related parties with whom the Group has significant transactions and balances:

<u>Name of related party</u>	<u>Nature of relationship</u>
ADGHC	Ultimate parent
National Scientific Company Limited (“NSCL”)	Affiliate
Saed International for Istigdam Company (“SAED”)	Affiliate
Qeemah and Dukan for Groceries Company Limited (“Dukan”)	Affiliate
Petromin Corporation (“Petromin”)	Affiliate
Advanced Petroleum Services Limited (APSL)	Affiliate
National Fuel Limited Company	Affiliate
Petrolube Oil Company	Affiliate

During the nine-month periods ended September 30, 2022 and 2021, a number of transactions were carried out in the ordinary course of business with the affiliated companies, which are based on prices and contractual terms that are mutually agreed by management of the Group. The aggregate values of such transactions with affiliated companies are mentioned as follows:

Other related party transactions

	<u>Three-months period ended</u>		<u>Nine-months period ended</u>	
	<u>September 30,</u> <u>2022</u> <u>SR</u> <u>(Unaudited)</u>	<u>September 30,</u> <u>2021</u> <u>SR</u> <u>(Unaudited)</u>	<u>September</u> <u>30,</u> <u>2022</u> <u>SR</u> <u>(Unaudited)</u>	<u>September 30,</u> <u>2021</u> <u>SR</u> <u>(Unaudited)</u>
Sales to an affiliate	2,481,665	3,099,616	10,286,137	9,919,736
Payments/ (adjustments) on behalf of ultimate parent	682,446	(300,769)	1,987,728	3,338,103
Rent	212,500	-	500,000	-
Employee cost paid to an affiliate	243,773	399,845	676,375	2,224,263
Purchases from affiliates	116,756	81,998	269,209	584,903
Employee benefit obligations transferred to a related party	-	(1,166)	-	(3,517)
Employee benefit obligations transferred from a related party	64,812	-	64,812	90,871
Zakat reimbursed by the shareholder	82,631	-	110,221	196,036

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14. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions with key management personnel

	Three-months period ended		Nine-months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Remuneration	4,024,319	3,234,697	12,140,644	10,332,223
Provision for employee benefit obligations	236,630	225,143	815,356	696,125
	4,260,949	3,459,840	12,956,000	11,028,348

Key management personnel include the Board of Directors, Chief Executive Officer and heads of departments. Compensation of the Group's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan.

Related party balances

Significant period end balances arising from transactions with related parties, are as follows:

Due from related parties (note 9)

	September 30, 2022	December 31, 2021
	SR	SR
	(Unaudited)	(Audited)
ADGHC	3,916,591	1,928,663
Dukan	4,350,749	1,899,734
NSCL	94,250	102,454
APSL	32,204	32,204
	8,393,794	3,963,055

Due to related parties (note 12)

	September 30, 2022	December 31, 2021
	SR	SR
	(Unaudited)	(Audited)
Petromin	3,263	3,709,926
SAED	11,798	-
	15,061	3,709,926

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15 REVENUE

	Three-months period ended		Nine-months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At a point in time	552,863,500	384,480,988	1,514,660,550	1,112,871,793
Over time	6,645,249	5,457,758	10,757,016	11,922,069
	559,508,749	389,938,746	1,525,417,566	1,124,793,862

The revenue for the nine-month period ended September 30, 2022 from top five customers in the food and agriculture stream represents 15% of the Group's revenues (nine-month period ended September 30, 2021: 18%).

16 COST OF SALES

	Three-months period ended		Nine-months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Materials consumed	278,053,898	192,994,209	763,116,955	546,011,669
Employee related costs	76,778,495	60,350,670	223,475,154	179,769,941
Depreciation on right-of-use assets	16,704,967	11,805,210	44,609,678	34,718,862
Transport and travel	13,003,036	10,507,985	35,285,672	31,821,354
Utilities	11,489,739	8,631,794	28,536,571	23,748,398
Depreciation on property, plant and equipment	6,148,107	4,987,958	16,911,947	14,638,129
Rent	4,266,897	2,205,651	12,812,947	6,572,872
External processing charges	1,495,284	3,292,705	8,287,460	9,662,291
Repairs and maintenance	2,888,807	2,609,195	7,846,139	7,128,059
Others	6,772,657	7,415,005	17,619,366	18,080,505
	417,601,887	304,800,382	1,158,501,889	872,152,080

17 SELLING AND DISTRIBUTION EXPENSES

	Three-months period ended		Nine-months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Employee related costs	28,033,769	22,854,315	82,359,087	62,638,339
Transport and travel	11,001,215	8,688,775	30,350,032	24,848,922
Depreciation on right-of-use assets	7,665,246	6,087,829	21,595,813	14,875,274
Advertising and sales promotion	6,159,662	3,969,574	16,439,206	11,959,128
Rent	1,478,471	1,282,040	4,314,096	3,507,888
Utilities	537,797	758,085	1,539,227	2,082,257
Depreciation on property, plant and equipment	1,274,711	773,608	3,341,467	1,998,761
Others	10,172,157	6,239,899	25,546,654	18,626,100
	66,323,028	50,654,125	185,485,582	140,536,669

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18 GENERAL AND ADMINISTRATIVE EXPENSES

	Three-months period ended		Nine-months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Employee related costs	21,819,121	18,750,622	62,337,854	51,443,687
Professional fees	2,564,457	1,312,754	7,283,861	2,730,118
IT infrastructure cost	774,108	588,989	2,303,049	1,342,520
Depreciation on right-of-use assets	1,039,149	298,336	2,132,308	1,012,463
Transport and travel	1,510,266	378,836	3,080,329	927,291
Others	2,671,620	1,732,283	8,477,413	4,776,271
	30,378,721	23,061,820	85,614,814	62,232,350

19 COMMITMENTS

Commitments

The capital expenditure contracted by the Group but not incurred until September 30, 2022 was SR 167.3 million (December 31, 2021: SR 39.5 million).

The banks issued guarantees on behalf of the Group amounting to SR 3.7 million (December 31, 2021: SR 5.7 million). The Group also has letters of credit and documentary collection in sight issued on its behalf in the normal course of business amounting to SR 354.7 million and NIL, respectively (December 31, 2021: SR 173.6 million and SR 12.4 million respectively).

Short-term leases

The short-term lease commitments as of September 30, 2022 amount to SR 0.5 million (December 31, 2021: SR 0.6 million).

20 EARNINGS PER SHARE

Earnings per share have been calculated by dividing the net profit attributable to the owners of the Company by the weighted average number of shares outstanding during the period. As the Group does not have any dilutive potential shares, the diluted earnings per share is the same as the basic earnings per share.

	Three-months period ended		Nine-months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	SR	SR	SR	SR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit attributable to owners of the Company	31,736,558	3,713,116	63,478,088	25,920,927
Weighted average number of shares	20,000,000	20,000,000	20,000,000	20,000,000
Basic and diluted earnings per (Saudi Riyals per share) share	1.59	0.19	3.17	1.30

TANMIAH FOOD COMPANY
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

21 SEGMENT INFORMATION

The Group operates principally in a single business segment of Food and Agriculture business which includes manufacturing and distribution of fresh and processed poultry and poultry related products. This is in line with the operating segment that is regularly reported to the Chief Operating Decision Maker. This is also the measure reported to the Group's Board of Directors for the purpose of resource allocation and assessment of segment performance. However, the Group operates in the following geographical areas:

Three-months period ended September 30, 2022 (Unaudited)

	Food and agriculture				Construction of poultry farms		
	United Arab Emirates				Kingdom of Saudi Arabia		
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Bahrain SR	Other GCC countries SR	Kingdom of Saudi Arabia SR	Total SR	
Revenue from external customers							
<i>Timing of revenue recognition</i>							
At a point in time	497,019,707	22,509,637	24,030,504	9,303,652	-	552,863,500	
Over time	-	-	-	-	6,645,249	6,645,249	
	497,019,707	22,509,637	24,030,504	9,303,652	6,645,249	559,508,749	

Three-months period ended September 30, 2021 (Unaudited)

	Food and agriculture				Construction of poultry farms		
	United Arab Emirates				Kingdom of Saudi Arabia		
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Bahrain SR	Other GCC countries SR	Kingdom of Saudi Arabia SR	Total SR	
Revenue from external customers							
<i>Timing of revenue recognition</i>							
At a point in time	327,590,207	20,345,531	21,733,615	14,811,635	-	384,480,988	
Over time	-	-	-	-	5,457,758	5,457,758	
	327,590,207	20,345,531	21,733,615	14,811,635	5,457,758	389,938,746	

The revenue for the three-months period ended September 30, 2022 from top five customers in the food and agriculture stream represents 16% of the Group's revenues (three-months period ended September 30, 2021: 18%).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

21 SEGMENT INFORMATION (CONTINUED)

Nine-months period ended September 30, 2022 (Unaudited)

	Food and agriculture				Construction of poultry farms			Total SR
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Bahrain SR	Other GCC countries SR	Kingdom of Saudi Arabia SR	Total SR		
Revenue from external customers								
<i>Timing of revenue recognition</i>								
At a point in time	1,329,016,287	71,653,220	72,462,740	41,528,303	-	-	1,514,660,550	
Over time	-	-	-	-	10,757,016	-	10,757,016	
	1,329,016,287	71,653,220	72,462,740	41,528,303	10,757,016	10,757,016	1,525,417,566	

Nine-months period ended September 30, 2021 (Unaudited)

	Food and agriculture				Construction of poultry farms			Total SR
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Bahrain SR	Other GCC countries SR	Kingdom of Saudi Arabia SR	Total SR		
Revenue from external customers								
<i>Timing of revenue recognition</i>								
At a point in time	944,659,480	65,435,949	67,620,658	35,155,706	-	-	1,112,871,793	
Over time	-	-	-	-	11,922,069	-	11,922,069	
	944,659,480	65,435,949	67,620,658	35,155,706	11,922,069	11,922,069	1,124,793,862	

The revenue for the nine-month period ended September 30, 2022 from top five customers in the food and agriculture stream represents 15% of the Group's revenues (nine-month period ended September 30, 2021: 18%).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

21 SEGMENT INFORMATION (CONTINUED)

	September 30, 2022 (Unaudited)			
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Kingdom of Bahrain SR	Total SR
Property, plant and equipment	279,542,857	36,338,263	421,096	316,302,216
Right-of-use assets	343,481,485	18,718,926	613,696	362,814,107
Intangible assets	3,310,706	18,825	78,567	3,408,098
Financial assets at FVOCI	773,983	-	-	773,983

	December 31, 2021 (Audited)			
	Kingdom of Saudi Arabia SR	United Arab Emirates SR	Kingdom of Bahrain SR	Total SR
Property, plant and equipment	215,604,640	38,523,048	121,540	254,249,228
Right-of-use assets	216,742,430	18,711,004	1,240,935	236,694,369
Intangible assets	2,639,044	27,967	-	2,667,011
Financial assets at FVOCI	773,983	-	-	773,983

22 DIVIDENDS

On April 14, 2022, the shareholders in their meeting approved and distributed a cash dividend of SR 0.51 per share amounting to SR 10.2 million for the year ended December 31, 2021.

23 SUBSEQUENT EVENTS

There were no events subsequent to September 30, 2022 and occurring before the date of the approval of the interim condensed consolidated financial information by the Board of Directors that are expected to have a significant impact on this interim condensed consolidated financial information except the Group post September 30, 2022, has completed the completion conditions and management has announced the completion of the transaction on the Tadawul stock exchange on November 2, 2022 (note 1).

24 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This interim condensed consolidated financial information for the nine-month period ended September 30, 2022 were approved for issuance by the Board of Directors of the Group on November 3, 2022.