

**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**  
**(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**  
**FOR THE THREE-MONTH AND SIX- MONTH PERIODS ENDED 30 JUNE 2023**  
**WITH THE INDEPENDENT AUDITOR’S REVIEW REPORT**

**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023  
(Expressed in Saudi Riyals)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"  
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

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**INTRODUCTION**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tabuk Agricultural Development Company (TADCO), (Saudi Joint Stock Company) ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2023 and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of changes in shareholders equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

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**SCOPE OF REVIEW**

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements 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.

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**BASIS OF QUALIFIED CONCLUSION**

As explained in note (7) to the interim condensed consolidated financial statements, related to investment in associate companies through equity method (Eastern Asia Company for Agricultural investment), refer to the audit report of the associate's financial statement for year ended 31 December 2022 there is expected credit losses amount to SAR 45.5 million not recorded in the associate books, due to that the group shares from this expected credit losses amount to SAR 13 million based on the Group owned 28.57% from the associate company shares and this amount have not reflected on this interim condensed consolidated financial statement for the period ended 30 June 2023, and its impact on the increase the losses for the year ended 31 December 2022 amount to SAR 13 million and decrease the investment by same amount and increase the accumulated losses and decrease the investment by same amount for the period ended 30 June 2023.

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**QUALIFIED CONCLUSION**

Based on our review, except for the matters described in the basis for qualified conclusion paragraph nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

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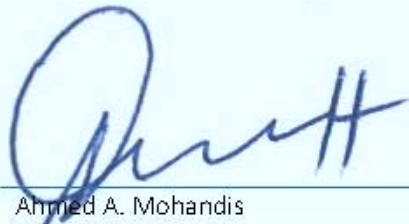
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**PKF**Ibrahim Ahmed Al-Bassam  
& Co. Certified Public Accountants**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****TO THE SHAREHOLDERS OF TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"  
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT****EMPHASIS OF MATTER**

As indicated in note (3) to the interim condensed consolidated financial statements, the group interim condensed consolidated financial statements includes the financial statement of Massadr Agricultural Feed Mill LTD Company "Subsidiary Company", in which the statutory procedures to transfer ownership of assets and all operation activities to the company, in accordance with the signed agreement between the establishment owner (one of the partners) and the company have not been completed and our conclusion is not modified in respect of this matter, which total assets of Massadr Agricultural Feed Mill Ltd. Company included in these interim condensed consolidated financial statements amount to SAR 23.9 million, and total liabilities amount to SAR 24.3 million, revenue amount to SAR 0.08 million, and total expenses amount to SAR 2.4 million.

**For Al-Bassam & Co.**


Ahmed A. Mohandis  
Certified Public Accountant  
License No. (477)  
Jeddah: 3 Rabi' Al-Awwal 1445H  
Corresponding to: 18 September 2023

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**(UNAUDITED)**

**AS AT 30 JUNE 2023**

(Expressed in Saudi Riyals)

	<b>Note</b>	<b>30 June 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
<b><u>Assets</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment, net	5	306,627,441	305,443,303
Right of use asset, net		728,335	742,307
Intangible assets, net		--	1,069
Biological assets - non-current portion, net	6	22,497,885	18,941,240
Investments in associate companies through equity method	7	22,769,887	18,493,158
Investments at fair value through OCI	7	681,458	681,458
<b>Total Non-Current Assets</b>		<b>353,305,006</b>	<b>344,302,535</b>
<b>Current Assets</b>			
Trade Receivable, net		16,252,617	11,214,932
Inventory, net	8	54,878,364	38,260,531
Biological assets - current portion, net	6	10,146,082	18,560,499
Property, plant and equipment held for sale		57,103	370,816
Due from related parties	10	5,318,452	11,042,869
Prepayments and other receivables, net		16,721,704	11,309,641
Cash and cash equivalents		15,535,769	4,718,131
<b>Total Current Assets</b>		<b>118,910,091</b>	<b>95,477,419</b>
<b>Total Assets</b>		<b>472,215,097</b>	<b>439,779,954</b>
<b><u>Shareholders' Equity and Liabilities</u></b>			
<b>Shareholders' Equity</b>			
Share capital		391,767,000	391,767,000
Other reserves		1,858,734	1,858,734
Re-measurement reserve of employee benefit obligations		515,434	515,434
Foreign currency translation reserve		(1,238,465)	(529,582)
Fair value reserve		268,658	268,658
Accumulated losses		(153,233,733)	(149,043,050)
<b>Total equity attributable to shareholders of the Company</b>		<b>239,937,628</b>	<b>244,837,194</b>
Equity for non-controlling interest		58,372,171	39,215,383
<b>Total Shareholders' Equity</b>		<b>298,309,799</b>	<b>284,052,577</b>
<b><u>Liabilities</u></b>			
<b>Non-Current Liabilities</b>			
Employee defined benefit obligations		13,492,516	13,055,659
Lease liabilities –non-current portion		640,826	646,724
<b>Total Non-Current Liabilities</b>		<b>14,133,342</b>	<b>13,702,383</b>
<b>Current Liabilities</b>			
Dismantling provision		1,277,200	1,277,200
Provision for guarantee loan related to associate company		16,906,830	16,906,830
Long-term loans - current portion	9	5,500,000	7,319,301
Lease liabilities - current portion		120,212	129,457
Trade payables		25,970,755	23,446,271
Due to related parties	10	16,108,028	25,297,535
Accrued expenses and other payables		64,512,713	38,555,141
Dividends payable to shareholders		22,988,981	22,997,464
Provision for Zakat		6,387,237	6,095,795
<b>Total current liabilities</b>		<b>159,771,956</b>	<b>142,024,994</b>
<b>Total liabilities</b>		<b>173,905,298</b>	<b>155,727,377</b>
<b>Total Shareholders' Equity and Liabilities</b>		<b>472,215,097</b>	<b>439,779,954</b>

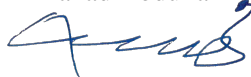
**Chief Financial Officer**

Mohamed Bakry



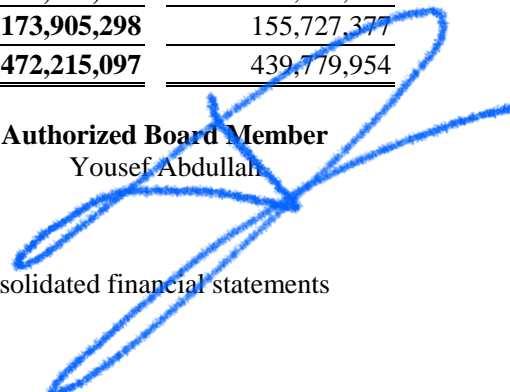
**Chief Executive Officer**

Fahad Abdullah



**Authorized Board Member**

Yousef Abdullah



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

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

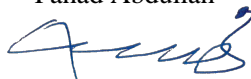
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDING ON 30 JUNE 2023**  
(Expressed in Saudi Riyals)

		Three-month period ended 30 June		Six-month period ended 30 June	
	Note	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Sales, Net		<b>26,897,598</b>	25,246,755	<b>48,197,773</b>	46,824,368
Cost of sales		<b>(20,384,898)</b>	(22,186,309)	<b>(37,860,085)</b>	(41,713,483)
<b>Gross profit</b>		<b>6,512,700</b>	3,060,446	<b>10,337,688</b>	5,110,885
Selling and distribution expenses		<b>(8,642,135)</b>	(8,202,166)	<b>(14,163,471)</b>	(12,161,189)
General and administrative expenses		<b>(8,480,403)</b>	(6,676,583)	<b>(15,597,475)</b>	(13,968,380)
Impairment biological assets		--	(2,404,640)	--	(2,404,640)
Expected credit losses		<b>(544,621)</b>	(236,713)	<b>(1,139,128)</b>	(236,713)
<b>Operating losses</b>		<b>(11,154,459)</b>	(14,459,656)	<b>(20,562,386)</b>	(23,660,037)
Group shares of profits / (losses) from investments in associate companies through equity method		<b>2,714,628</b>	--	<b>(237,522)</b>	(862,435)
Other expenses / revenue, net		<b>288,852</b>	451,079	<b>(82,433)</b>	1,810,894
<b>loss before Zakat</b>		<b>(8,150,979)</b>	(14,008,577)	<b>(20,882,341)</b>	(22,711,578)
Zakat		<b>(653,371)</b>	(3,439,634)	<b>(1,782,268)</b>	(4,869,268)
<b>Net loss for the period</b>		<b>(8,804,350)</b>	(17,448,211)	<b>(22,664,609)</b>	(27,580,846)
<b>Other comprehensive losses items</b>					
<b>Items that may be reclassified subsequently to interim condensed consolidated statement of profit or loss:</b>					
Foreign currency translation differences		<b>(4,786)</b>	--	<b>(708,883)</b>	--
<b>Items that will not be reclassified subsequently to interim condensed consolidated statement of profit or loss:</b>					
Auctorial losses - remeasurement of employee defined benefit obligations		--	(253,315)	--	(253,315)
<b>Total other comprehensive loss</b>		<b>(4,786)</b>	(253,315)	<b>(708,883)</b>	(253,315)
<b>Total comprehensive loss for the period</b>		<b>(8,809,136)</b>	(17,701,526)	<b>(23,373,492)</b>	(27,834,161)
Basic loss per share from net loss for the period	11	<b>(0.24)</b>	(0.46)	<b>(0.60)</b>	(0.73)
<b>(Loss) / profit for the period attributable to:</b>					
Shareholders of the parent company		<b>(9,393,163)</b>	(18,084,567)	<b>(23,311,683)</b>	(28,644,072)
non-controlling interest		<b>588,813</b>	636,356	<b>647,074</b>	1,063,226
		<b>(8,804,350)</b>	(17,448,211)	<b>(22,664,609)</b>	(27,580,846)
<b>Comprehensive (loss) / profit attributable to:</b>					
Shareholders of the parent company		<b>(9,397,949)</b>	(18,337,882)	<b>(24,020,566)</b>	(28,897,387)
non-controlling interest		<b>588,813</b>	636,356	<b>647,074</b>	1,063,226
		<b>(8,809,136)</b>	(17,701,526)	<b>(23,373,492)</b>	(27,834,161)

Chief Financial Officer  
Mohamed Bakry



Chief Executive Officer  
Fahad Abdullah



Authorized Board Member  
Yousef Abdullah



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



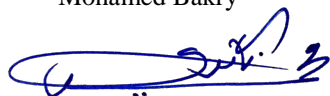
**TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (UNAUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023**  
(Expressed in Saudi Riyals)

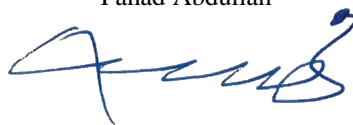
	Share capital	Other reserves	Re-measurement reserve of employee benefit obligations	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total equity attributable to shareholders of the Parent Company	Equity for non-controlling interest	Total shareholders
<b>30 June 2023</b>									
Balance as of 1 January 2023	391,767,000	1,858,734	515,434	(529,582)	268,658	(149,043,050)	244,837,194	39,215,383	284,052,577
Net loss for the period	--	--	--	--	--	(23,311,683)	(23,311,683)	647,074	(22,664,609)
Other comprehensive loss	--	--	--	(708,883)	--	--	(708,883)	--	(708,883)
<b>Total comprehensive loss for the period</b>	--	--	--	(708,883)	--	(23,311,683)	(24,020,566)	647,074	(23,373,492)
Absorption losses from non-controlling interest holders for Subsidiary Company*	--	--	--	--	--	--	--	9,204,628	9,204,628
Transaction with Non – controlling interest	--	--	--	--	--	19,121,000	19,121,000	9,305,086	28,426,086
<b>Balance as of 30 June 2023</b>	<u>391,767,000</u>	<u>1,858,734</u>	<u>515,434</u>	<u>(1,238,465)</u>	<u>268,658</u>	<u>(153,233,733)</u>	<u>239,937,628</u>	<u>58,372,171</u>	<u>298,309,799</u>
Balance as of 1 January 2022	391,767,000	1,858,734	479,961	--	--	(96,412,880)	297,692,815	39,509,928	337,202,743
Net loss for the period	--	--	--	--	--	(28,644,072)	(28,644,072)	1,063,226	(27,580,846)
Other comprehensive loss	--	--	(253,315)	--	--	--	(253,315)	--	(253,315)
<b>Total comprehensive loss for the period</b>	--	--	(253,315)	--	--	(28,644,072)	(28,897,387)	1,063,226	(27,834,161)
<b>Balance as of 30 June 2022</b>	<u>391,767,000</u>	<u>1,858,734</u>	<u>226,646</u>	<u>--</u>	<u>--</u>	<u>(125,056,952)</u>	<u>268,795,428</u>	<u>40,573,154</u>	<u>309,368,582</u>

It represents the value of losses incurred by the non-controlling interest holders in the Masader Agricultural Company (a subsidiary), in which Tabuk Agricultural Development Company "TADCO" owns 60%. The losses that the partners will bear amounted to (23,011,569) Saudi riyals, and the share of the non-controlling interest holders is represented by Which represents 40% of the amount of 9,204,628 Saudi riyals based on the partners' decision dated March 22, 2023 AD for the subsidiary company.

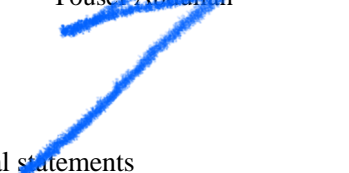
Chief Financial Officer  
Mohamed Bakry



Chief Executive Officer  
Fahad Abdullah



Authorized Board Member  
Yousef Abdullah



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

**TABUK AGRICULTURAL DEVELOPMENT COMPANY "TADCO"**

(A SAUDI JOINT STOCK COMPANY)

Interim Condensed Consolidated Statement of cash flows

**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023**

(Expressed in Saudi Riyals)

	<b>30 JUNE 2023</b> <b>(Unaudited)</b>	<b>30 JUNE 2022</b> <b>(Unaudited)</b>
<b><u>OPERATING ACTIVITIES:</u></b>		
Loss for the period before zakat	(20,882,341)	(22,711,578)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	11,811,784	14,740,796
Provision for employees defined benefit obligations	1,544,543	1,148,800
Amortization of intangible assets	1,069	2,138
Amortization of right of use assets	13,972	119,068
Impairment of biological assets	--	2,404,640
Provision for expected credit losses	1,139,128	--
Used Provision for expected credit losses	--	(308,414)
Shares of losses from investment in associate through equity method	237,522	862,435
<b><u>Changes in operating assets and liabilities</u></b>		
Inventory	(16,617,833)	(33,674,262)
Trade receivables	(6,176,809)	87,569
Due from related parties*	501,283	2,565,398
Prepayments and other receivables	(5,412,063)	(5,659,844)
Biological assets	4,857,772	3,741,258
Trade payables	2,524,484	1,565,517
Due to related parties*	15,117	(1,887,474)
Accrued expenses and other payables	25,957,572	12,932,143
<b>Cash used in operating activities</b>	<b>(484,800)</b>	<b>(24,071,810)</b>
Employees defined benefit obligations paid	(1,107,686)	(602,306)
Zakat paid	(1,490,826)	(3,758,601)
<b>Net cash used in operating activities</b>	<b>(3,083,312)</b>	<b>(28,432,717)</b>
<b><u>INVESTING ACTIVITIES:</u></b>		
Paid to purchase of property, plant and equipment	(12,995,922)	(15,743,484)
Proceeds from the sale of shares in subsidiary company	28,426,086	--
Proceed from property, plant and equipment held for sale	313,713	--
<b>Net cash generated from / (used in) investing activities</b>	<b>15,743,877</b>	<b>(15,743,484)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Long-term loans paid	(1,819,301)	(1,581,503)
Provision for guarantee loan related to associate company	--	(1,127,122)
Payment of lease liabilities	(15,143)	(113,597)
Dividends paid	(8,483)	(13,797)
<b>Net cash used in financing activities</b>	<b>(1,842,927)</b>	<b>(2,836,019)</b>
Net change in cash and cash equivalents	10,817,638	(47,012,220)
Cash and cash equivalents at the beginning of the period	4,718,131	57,207,732
<b>Cash and cash equivalents at the ending of the period</b>	<b>15,535,769</b>	<b>10,195,512</b>
<b><u>Non-cash transactions</u></b>		
The groups share of the capital increase in associated companies through equity method	5,223,134	--
Due from related party	(5,223,134)	--
Due to related party	(9,204,624)	--
Absorption of losses from non-controlling interest holders for (Subsidiary Company)	9,204,624	--
Actuarial gain /loss remeasurements of employee defined benefit obligations	--	(253,315)

**Chief Financial Officer**

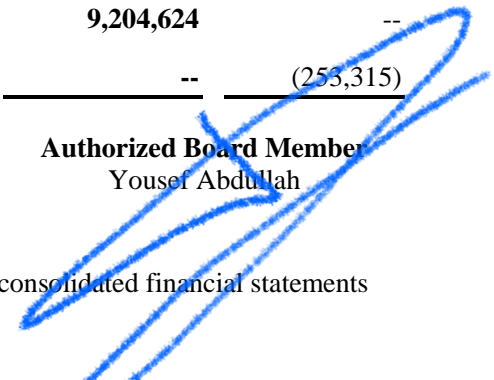
Mohamed Bakry


**Chief Executive Officer**

Fahad Abdullah


**Authorized Board Member**

Yousef Abdullah



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



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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2023**  
(Expressed in Saudi Riyals)

**1- COMPANY'S MAIN ACTIVITIES**

The Tabuk Agricultural Development Company "TADCO" is a Saudi joint stock company registered under the company's commercial registration issued by the city of Tabuk under registration No 3550005403. On 15 Shaaban 1404 corresponding to 16 May 1984. The company was formed on 22 March 1983, by Royal Decree No. (11/M). The company's capital is 450 million Saudi riyals divided into 45 million shares, with a Par value of 10 Saudi riyals per share. On 18 March 2020, the capital was reduced to 241,767,000 Saudi riyals, with a Par value of 10 Saudi riyals per share, to cover the company's accumulated losses, and on 4 May 2021, the capital was increased amounted by 150 million SR to become SR 391,767,000 divided to SR 39,176,700 shares with a Par value of 10 Saudi riyals per share. This resulted in costs of issuing equity instruments amounting to SR 6.8 million that were deducted from equity.

On 3 May 2021, the company's board of directors approved the use of the statutory reserve amounting to SR 68 million to extinguish part of the accumulated losses according to the audited financial statements as of 31 December 2020, amounting to SR 86.5 million.

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

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

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

**The accounts of the parent company include the accounts of the following branches:**

<b>Branches</b>	<b>City</b>	<b>Commercial Registration</b>	<b>Commercial Registration Date</b>
Sub-registry of Tabuk Company	Riyadh	1010439522	Safar 19, 1437 AH
Sub-registry of Tabuk Company	Dammam	2050107496	Safar 19, 1437 AH
Sub-registry of Tabuk Company	Jeddah	4030286243	Safar 19, 1437 AH
Tabuk Agricultural Development Company Cork Factory	Tabuk	3550033016	2 Rabi` al-Thani 1435 AH
North Factory for the extraction and packaging of oils	Tabuk	3550033015	2 Rabi` al-Thani 1435 AH
Tabuk Agricultural Development Company	Khamis Mushait	5855069210	Safar 19, 1437 AH
Tabuk Agricultural Development Company Nursery	Tabuk	3550033301	24 Rabi` al-Thani 1435 AH

**2- BASIS OF PREPARATION**

**2/1 Statement of compliance**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards IAS 34 "interim financial reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the groups last annual consolidated financial statements for the year ended 31 December 2022. They don't include all of the information normally required for a complete set of consolidated financial statements, however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the groups financial position and performance since 31 December 2022.

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**2- BASIS OF PREPARATION (CONTINUED)**

**2/2 Basis of Measurement**

The consolidated financial statements have been prepared on the historical cost basis, except for the employee-defined benefit obligation “End of service benefits provision” which has been actuarially valued using the Projected Unit Credit Method and the going concern principle.

**2/3 Functional Currency**

The consolidated financial statements are presented in Saudi Riyal (SAR), which is also the functional and presentational currency of the Group.

**2/4 Going Concern**

The group's accumulated losses amounted to SAR (153,233,733) as of 30 June 2023, which represents 39% of the capital, which requires the group, according to the instructions of the Capital Market Authority, for companies listed in the Saudi financial market, whose accumulated losses amounted to 35% or more, and less than 50% of its capital, to announce that the announcement shall include the amount of accumulated losses, their percentage in the capital, and the main reasons that led to such losses.

**2/5 New standards, amendments to standards and interpretations**

The following amendments to existing standards and framework have been applied by the group in preparation of these interim condensed consolidated financial statements. The adoption of the following did not result in changes to the previously reported net loss or equity of the group.

<b>Standard / interpretation</b>	<b>description</b>	<b>Effective date</b>
IAS 8	Definition to accounting estimates	January 01,2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 01,2023
IFRS 17	Insurance contracts and amendments	January 01,2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 01,2023
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)	January 01,2023

**2/6 Standards issued but not yet effective**

The standards, interpretations, and amendments issued, but not yet effective up to the date of issuance of the condensed consolidated interim financial statements are disclosed below. the group is currently assessing the implicated on the groups condensed consolidated interim financial statements on adoption. The group intends to adopt these standards, where applicable, when they become effective.

<b>Standard / interpretation</b>	<b>description</b>	<b>Effective from periods beginning on or after the following date</b>
IFRS 16	Lease Liabilities in a Sale and Leaseback - Amendment	January 01,2024
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)	January 01,2024
IAS 1	Non- current liabilities with covenants (amendments to IAS 1)	January 01,2024
IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

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**3- BASIS OF CONSOLIDATION**

The consolidated financial statements include the financial statements of Tabuk Agricultural Development Company “TADCO” (the “Company” or “Parent Company”) and its subsidiaries (together referred to as the “Group”) as of 30 June 2023. The date of the financial statements for all subsidiaries is 30 June 2023.

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

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

- Power over the entity (has the rights that give it the current ability to direct the activities of the investee company)
- Exposure, or rights, to variable returns from its involvement with the entity; and
- The ability to use its power over the entity to influence the amount of the entity’s returns.

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

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

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

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

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

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

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

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

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

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**3- BASIS OF CONSOLIDATION (CONTINUED)**

Company Name	Commercial registration number	Legal Form	Country of incorporation	Direct ownership percentage as of		Activity
				2023	2022	
Horizon Food Company Limited*	2051220421	joint stock company - Nomu	Kingdom of Saudi Arabia	40%	50%	Production of chilled and frozen poultry rabbits and birds Production of chilled and frozen meat Cutting, processing, packaging and packaging of meat and poultry Production of sausages (sausages) and hamburgers from meat.
Masader Agricultural Feed Mill Ltd Company**	4030325647	A limited liability company	Kingdom of Saudi Arabia	60%	60%	Sales agents in live animals. Wholesale of grains and seeds, except for barley. Wholesale of livestock feed.
Tabuk Agricultural Marketing Company***	3550123534	One person closed joint stock company	Kingdom of Saudi Arabia	100%	100%	Agricultural marketing.
Tabuk Nurseries Company***	3550123535	One person closed joint stock company	Kingdom of Saudi Arabia	100%	100%	Landscaping.

\* On 15 March 2023, Tabuk Agricultural Development Company announces the sale of 10% of its total shares owned in Horizon Food Company (a Subsidiary Company) with 800,000 shares, in a value of SR 29.6 million, by offering the shares of Horizon Food Company in the parallel market (Nomu) The book value of those shares is - As of 31 December 2022, according to the approved and unaudited financial statements of Horizon Food Company – SR 9.1 million, which has led to a cash inflows for the company in the amount of SR 29.6 million and an exceptional decrease in the accumulated losses in the amount of SR 19.1 million (after deducting offering costs),. Note that the Tabuk Agricultural Development Company did not lose control of the Food Horizons Company, based on the decision of the Board of Directors on May 22, 2023 AD, in which it was decided to continue the control of the Tabuk Agricultural Development Company, as the Board of Directors of the Food Horizons Company consists of 5 members, the chairman of the board of directors and another member from the company Tabuk Agricultural Development, two independent members, and another member representing one of the shareholders. The company still owns 3,200,000 shares (equivalent to 40%) in Food Horizons Company. Therefore, the company is still affiliated with Tabuk Agricultural Development Company.

On September 3, 2023, the Board of Directors for Tabuk Agricultural Development Company decided to loss of control over this subsidiary “Food Horizons Company”, based on the Food Horizon Company announcement on August 6, 2023, of the resignation of the Chairman of the Board of Directors and two members of the Board of Directors, and from this date the group loss the control over this subsidiary company.

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**3- BASIS OF CONSOLIDATION (CONTINUED)**

\*\* The group waived all its shares in the Fine Flour Mills Company “a subsidiary” amounting to 750 shares to a related party with its rights and obligations, in exchange for establishing a new company “Masader Agricultural Feed Mill Ltd Company” with a capital of SR 1,250,000 Provided that the group owns 60% of the capital at a value of SR 750,000, and the commercial registration of the subsidiary company was issued on 24 February 2019. The group management works with the management of the subsidiary company to finalize the procedures for transferring ownership of assets and transferring all operational and financial operations in the name of the subsidiary to the waiver agreement signed between The owner of the establishment (one of the partners) and the group, where the total assets of the Masader Agricultural Feed Mill Ltd Company included in these consolidated financial statements amounted to SR 23.9 million, and its total expenses amounted to SR 2.4 million. In order to preserve the rights of the shareholders of Tabuk Agricultural Development Company, the company filed a lawsuit to claim the recovery of the sum of SR 18 million, which was presented to the subsidiary company in exchange for the

Partner’s assignment of the factory’s assets, in the case that ownership could not be transferred to the subsidiary company. The invitation has been rejected.

\*\*\*Based on the decision of the Extraordinary General Assembly on 11 October 2022, it was approved to liquidate both the Tabuk Nurseries and Landscaping Company and the Tabuk Agricultural Marketing Company, and the Regular liquidation procedures have begun.

**4- USE OF JUDGMENT, ESTIMATES**

The preparation the interim condensed consolidated financial statements requires management to make judgments and estimates that affect the application of accounting policies to the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The estimates and assumptions are based on previous experience and factors including expectations of future events that are considered appropriate in the circumstances and are used to extend the carrying period of assets and liabilities that are not independent of other sources. Estimates and assumptions are evaluated on an ongoing basis. The accounting estimates proven in the period in which the estimates are revised are reviewed in the review period and future periods in the event that the changed estimates affect the current and future periods.

The significant judgments made by the management when applying the company's accounting policies are consistent with those disclosed in the consolidated financial statements for the previous year.

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**5- PROPERTY, PLANT AND EQUIPMENT, NET**

	<b>Lands</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Wells and irrigation equipment</b>	<b>Cars and Trucks</b>	<b>Bearer Plants</b>	<b>Furniture and fixture</b>	<b>project under construction</b>	<b>Total</b>
<b><u>Cost</u></b>									
As of 1 January, 2023	43,220,600	332,749,952	161,679,583	188,848,739	25,114,587	73,544,787	11,695,804	74,235,162	911,089,214
Additions	--	--	567,898	193,750	92,750	1,188,905	106,912	10,845,707	12,995,922
<b>As of 30 June, 2023</b>	<b>43,220,600</b>	<b>332,749,952</b>	<b>162,247,481</b>	<b>189,042,489</b>	<b>25,207,337</b>	<b>74,733,692</b>	<b>11,802,716</b>	<b>85,080,869</b>	<b>924,085,136</b>
<b><u>Depreciation and Impairment</u></b>									
As of 1 January, 2023	--	221,546,315	132,545,319	176,735,282	21,429,977	42,747,941	10,641,077	--	605,645,911
Additions	--	2,785,426	4,811,646	1,551,932	611,268	1,977,176	74,336	--	11,811,784
<b>As of 30 June, 2023</b>	<b>--</b>	<b>224,331,741</b>	<b>137,356,965</b>	<b>178,287,214</b>	<b>22,041,245</b>	<b>44,725,117</b>	<b>10,715,413</b>	<b>--</b>	<b>617,457,695</b>
<b><u>Net book value</u></b>									
<b>As of 30 June 2023</b>	<b>43,220,600</b>	<b>108,418,211</b>	<b>24,890,516</b>	<b>10,755,275</b>	<b>3,166,092</b>	<b>30,008,575</b>	<b>1,087,303</b>	<b>85,080,869</b>	<b>306,627,441</b>
As of 31December 2022	43,220,600	111,203,637	29,134,264	12,113,457	3,684,610	30,796,846	1,054,727	74,235,162	305,443,303

Property, plant and equipment included the assets of the Masader Agricultural Feed Mill Ltd Co. (Subsidiary Company), whose net book value as at 30 June 2023 amount to SR 18.4 million and is mortgaged in favor of the Saudi Industrial Development Fund as a guarantee for the loan granted to the Group.



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**6- BIOLOGICAL ASSET, NET**

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

**Biological assets classified**

**As on 30 June 2023 – unaudited**

	Sheep	Crops*	Total
Biological assets classified as non-current assets	22,497,885	--	22,497,885
Biological assets classified as current assets	931,165	9,214,917	10,146,082
	<u>23,429,050</u>	<u>9,214,917</u>	<u>32,643,967</u>

**As on 31 December 2022 – audited**

	Sheep	Crops	Total
Biological assets classified as non-current assets	18,941,240	--	18,941,240
Biological assets classified as current assets	1,567,050	16,993,449	18,560,499
	<u>20,508,290</u>	<u>16,993,449</u>	<u>37,501,739</u>

\*The measurement of the crops using the cost minus accumulated depreciation or impairment accordance with International Accounting Standard 41 based on the inputs used.

**7- INVESTMENTS**

**7/1 Investments in companies using the equity method**

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

	percentage	Balance as of 1 January 2023	The group shares of profits and losses	The group shares of other comprehensive income	The group shares of additional capital	Balance as of 30 June 2023
Eastern Asia Company for Agriculture investment *	28.57%	14,933,874	(2,396,011)	--	--	12,537,863
Gulf Company for Sustainable Energy Technology **	50%	--	--	--	--	--
Rakha Company for Agricultural Investment and Development***	21.61%	3,559,284	2,158,489	(708,883)	5,223,134	10,232,024
		<u>18,493,158</u>	<u>(237,522)</u>	<u>(708,883)</u>	<u>5,223,134</u>	<u>22,769,887</u>

\*Eastern Asia Company for Agriculture investment was established on 7 May 2013, registered in the Kingdom of Saudi Arabia, with a capital of SR 70,000,000, Its activity is represented in agricultural investment and the establishment of agricultural projects for the production of crops, grains, rice, barley, fruits, olives, fodder, all agricultural products and field crops, and the establishment, management and maintenance of factories for food industries and the establishment of animal production projects, including raising livestock and poultry, and establishing and managing factories for dairy, meat and fodder products.

\*\*The group owns a 50% share in the Gulf Company for Sustainable Energy Technology (under liquidation) at a value of SR 250,000, and impairment losses have been formed in the total of investment value, and the necessary legal measures are being taken to liquidate that company.

\*\*\*The group owns an investment of 27.8% and an amount of SR 17,500,000 in Jannat Agricultural Investment Company - a Saudi limited liability company - under liquidation. The group previously recognized all losses with the total value of the investment.

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**7- INVESTMENTS (CONTINUED)**

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

**\*\*\*Rakha Company for Agricultural Investment and Development (continued)**

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

- During 2009, Rakha Company for Agricultural Investment and Development obtained a loan in the amount of SR 100 million, with guarantees provided by the partners in Jannat Agricultural Investment Company. Due to the deficit in the financial statements and the inability of Rakha Company for Agricultural Investment and Development to pay, the group recorded its share in the loan against the guarantee provided to the Saudi Fund for Development in the amount of SR 18 million.

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

- On August 15, 2023, the company's board of directors decided to use the amount of 207,401,325 Egyptian pounds to increase the company's capital which is the classified as capital increase in the amount of 10,902,266 Egyptian pounds and the value of financing from shareholders in the amount of 196,499,059 Egyptian pounds and will invite to extraordinary general assembly meeting to increase the company's capital by this amount. Therefore, the group's management reclassified this amount as a current account in the investment cost as a payment under the investments account until the procedures for increasing the capital of the associate company are completed.

**7/2 Investments at fair value through OCI**

Investments at fair value represent the value of the Group's investment in the National Company for Seed Production and Trade in the amount of SR 681,458 (2022: SR 681,458), which represents 1.4% of the company's total capital.

**8- INVENTORY, NET**

	<b>30 June 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Wheat	<b>23,596,641</b>	3,251,380
Feeds	<b>563,390</b>	1,485,790
Seeds	<b>192,905</b>	1,011,383
Fruits	<b>7,063,258</b>	6,175,450
Fertilizers and chemicals	<b>1,740,449</b>	1,994,765
Processed meat	<b>10,999,522</b>	12,516,623
spare parts and other consumables	<b>13,379,116</b>	14,482,057
	<b>57,535,281</b>	40,917,448
Less: Provision for slow-moving inventories	<b>(2,656,917)</b>	(2,656,917)
	<b>54,878,364</b>	38,260,531

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**9- LOANS**

Loans consist of the following:

	<b>30 June 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Saudi Industrial Development Fund	<b>5,500,000</b>	5,500,000
Agricultural Development Fund	-	1,819,301
	<b>5,500,000</b>	<b>7,319,301</b>
Current portion under current liabilities items	<b>5,500,000</b>	7,319,301
	<b>5,500,000</b>	<b>7,319,301</b>

**9/1** The group obtained a loan from the Saudi Industrial Development Fund during the year 2013 in the amount of SR 15.3 million, in order to finance the construction of an animal feed production plant with an annual compound production capacity of 81,600 tons, provided that the installments are paid in annual installments of equal value starting from 2018 and ending on the year 2022. During the year 2020 and as part of government measures to mitigate the impact of the Covid-19 epidemic on the economy, the Fund’s management restructured the installments that are due during the crisis of this epidemic, and the installments were adjusted so that the last installment is paid in 2023. The loan is secured by a mortgage on the property and equipment of the project (Note 6).

**10- TRANSACTIONS WITH RELATED PARTIES**

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

<b>Name</b>	<b>Nature of relation</b>
Horizon Food Company Limited	Subsidiary
Ahmed Hussein Al-Omari EST	another related party
Ahmed bin Mohammed Al-Arfaj	Non-controlling equity
Gulf Investment Company for Food	Non-controlling equity
Ahmed Hussein Al-Omari	Non-controlling equity
Rakha Company for Agricultural Investment and Development	Associate company
Members of the group board of directors	Board of Directors
Top management and senior directors	Executive management

**A-Due from related parties**

<b>Related Party</b>	<b>Nature of transactions</b>	<b>Balance as of 31 December 2022</b>	<b>Transactions during the year</b>		<b>Balance as of 30 June 2023(Unaudited)</b>
			<b>Debit</b>	<b>Credit</b>	
Rakha Company for Agricultural Investment and Development*	Payment on behalf of the associate	5,223,134	--	(5,223,134)	--
Ahmed Hussein Al-Omari EST	Cash transactions	5,819,735	<b>380,828</b>	<b>(882,111)</b>	<b>5,318,452</b>
		<b>11,042,869</b>	<b>380,828</b>	<b>(6,105,245)</b>	<b>5,318,452</b>

\* It represents the group’s share of settlements resulting from transactions between Jannat Agricultural Investments Company (Under liquidation) which is the group invested in. During the year the ownership of 17,288 shares in Rakha for Agricultural Investment and Development was transferred to the group’s ownership, (note 8).

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**10-TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

**B-Due to related parties**

Related Party	Nature of transactions	Balance as of 31 December 2022	Transactions during the year		Balance as of 30 June 2023(Unaudited)
			Debit	Credit	
Ahmed Hussein Al-Omari	Cash transactions	25,297,535	-	(9,189,507)	16,108,028
		25,297,535	-	(9,189,507)	16,108,028

**11- LOSS PER SHARE**

	Three-month period ended		Six-month period ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
losses for the year attributable to equity shareholders	(9,393,163)	(18,084,567)	(23,311,683)	(28,644,072)
Weighted average number of common shares used as the denominator in calculating basic and diluted earnings per share	39,176,700	39,176,700	39,176,700	39,176,700
Profit basic and diluted earnings per share (EPS) from continuing operations	(0.24)	(0.46)	(0.60)	(0.73)

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

**12- FINANCIAL RISK MANAGEMENT**

**Market risk**

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

**Foreign currency risk management**

Most of the group transactions using Saudi riyals and US dollars, and the US dollar is tied to the Saudi riyal at a fixed exchange rate. The group did not have any significant cash assets or liabilities in foreign currency at the date of the consolidated financial statements. Therefore, the foreign currency sensitivity analysis was not presented.

**Agricultural risk management:**

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

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**12-FINANCIAL RISK MANAGEMENT (CONTINUED)**

**Climate Change**

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

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

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

**Liquidity risk**

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

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

**Credit risk management**

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

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

Bank decided in February 2023 to raise the rate of repurchase agreements “RIBOR” by 0.5 percent from 4 to 4.5 percent. The group management is closely following these changes to determine the possible financial impact on the results of its business during the coming periods.

**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**  
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**12- FINANCIAL RISK MANAGEMENT (CONTINUED)**

**Credit risk management (continued)**

The maximum credit exposure as of the reporting date of the group interim condensed consolidated financial statement is as follows:

<b>Financial assets</b>	<b>30 June 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Cash and cash equivalents	<b>15,535,769</b>	4,718,131
Trade receivables, net	<b>16,252,617</b>	11,214,932
Due from related parties	<b>5,318,452</b>	11,042,869
	<b>37,106,838</b>	26,975,932

**Trade receivables aging at the financial position date is as follows:**

	<b>Note</b>	<b>30 June 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Less than three months		<b>8,930,104</b>	7,467,782
More than three months and less than six months		<b>3,895,537</b>	2,661,837
More than nine months and less than a year		<b>4,283,510</b>	1,736,297
More than a year		<b>10,235,368</b>	9,301,790
<b>Total before deducting expected credit losses</b>		<b>27,344,519</b>	21,167,706
After deducting provision:			
Provision for expected credit losses	<b>12/1</b>	<b>(11,091,902)</b>	(9,952,774)
Trade receivables, Net		<b>16,252,617</b>	11,214,932

**12/1 Provision for expected credit losses as follow:**

	<b>30 June 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Balance at the beginning of the period / year	<b>9,952,774</b>	9,483,724
Provided during the period / year	<b>1,139,128</b>	469,050
Balance at the end of the period / year	<b>11,091,902</b>	9,952,774

**Fair value of financial instruments**

For the purposes of financial reporting, the group used the fair value hierarchy categorized in levels 1, 2, and 3 based on the degree of observance of the inputs in the fair value measurement and the importance of these inputs in measuring the fair value in its entirety, as shown below:

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

The group does not have financial instruments measured at fair value except investment at fair value through OCI, Employee defined benefit obligations, biological assets especially for sheep's and the financial instruments are carried at amortized cost. As of the date of the consolidated financial statements, the fair value of these instruments approximates the amortized cost that has been taken into account in the financial reports and related disclosures.



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**13- SEGMENT REPORTING**

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

<b>Operational segment</b>	<b>Activities</b>
Feeds	Manufacturing Feed
vegetable	Planting Vegetables
fruit	Planting Seasonal fruits
Grains	Grain trading
Other products	Production of olive oil, honey and other products
Frozen meat	Selling frozen meat

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(Expressed in Saudi Riyals)

**13-SEGMENT REPORTING (CONTINUED)**

<b>30 June 2023 (Consolidated)</b>	<b>Feeds</b>	<b>vegetable</b>	<b>fruit</b>	<b>Grains</b>	<b>other products</b>	<b>frozen meat</b>	<b>Total</b>
<b>Revenue*</b>	<b>4,047,500</b>	<b>1,089,888</b>	<b>8,839,688</b>	<b>1,160,743</b>	<b>6,729,096</b>	<b>26,330,858</b>	<b>48,197,773</b>
<b>Depreciation and amortization</b>	<b>(3,778,958)</b>	<b>(378,979)</b>	<b>(3,073,763)</b>	<b>(403,617)</b>	<b>(2,339,862)</b>	<b>(1,851,646)</b>	<b>(11,826,825)</b>
<b>Net (loss) / profit for the period**</b>	<b>(6,490,472)</b>	<b>(1,149,452)</b>	<b>(9,322,792)</b>	<b>(1,224,179)</b>	<b>(7,096,853)</b>	<b>2,619,139</b>	<b>(22,664,609)</b>
<b>Total Assets</b>	<b>86,494,210</b>	<b>17,207,116</b>	<b>139,560,703</b>	<b>18,325,769</b>	<b>106,238,756</b>	<b>104,388,543</b>	<b>472,215,097</b>
<b>Total liabilities</b>	<b>50,495,749</b>	<b>7,014,840</b>	<b>56,894,829</b>	<b>7,470,882</b>	<b>43,310,440</b>	<b>8,718,558</b>	<b>173,905,298</b>

<b>30 June 2022 (Consolidated)</b>	<b>Feeds</b>	<b>vegetable</b>	<b>fruit</b>	<b>Grains</b>	<b>other products</b>	<b>frozen meat</b>	<b>Total</b>
<b>Revenue*</b>	<b>1,339,979</b>	<b>--</b>	<b>5,841,262</b>	<b>939,348</b>	<b>3,005,519</b>	<b>35,698,260</b>	<b>46,824,368</b>
<b>Depreciation and amortization</b>	<b>(4,254,797)</b>	<b>--</b>	<b>(5,838,953)</b>	<b>(938,976)</b>	<b>(3,004,329)</b>	<b>(824,947)</b>	<b>(14,862,002)</b>
<b>Net (loss) / profit for the period**</b>	<b>(3,456,866)</b>	<b>--</b>	<b>(17,107,567)</b>	<b>(2,751,110)</b>	<b>(8,802,396)</b>	<b>4,537,093</b>	<b>(27,580,846)</b>
<b>Total Assets</b>	<b>43,065,778</b>	<b>--</b>	<b>206,466,287</b>	<b>33,202,360</b>	<b>94,104,479</b>	<b>93,376,632</b>	<b>470,215,536</b>
<b>Total liabilities</b>	<b>49,335,399</b>	<b>--</b>	<b>56,373,955</b>	<b>9,065,639</b>	<b>41,443,468</b>	<b>4,628,493</b>	<b>160,846,954</b>

\* The group revenue from contracts with customers is through the sale of consumer products. Product control is moved at a point in time and is sold directly to customers.

\*\* The cost of financing and zakat expenses has not been analyzed at the sector level, as they are linked to the central treasury function, which manages the cash position at the group level.

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**14- ZAKAT STATUS**

**Tabuk Agricultural Development Company “Tadco”**

- The final assessment finalizes for the years till 2013 and 2017 AD, 2019 AD, 2020 AD, and the due settled.  
- The company issued a final assessment for the years from 2014 AD to 2016 AD and 2018 AD, and its total zakat differences amounted to SR 2,610,073, It was submitted to the General Secretariat of Tax Committees, and the company’s management formed an allocation for the full value of the assessments, which are stated as follows:

<b>Years</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2018</b>
Final zakat assessment	439,550	1,020,191	670,772	479,560

- The declaration for the years 2021 AD and 2022 AD was submitted and the amount of zakat due was paid according to the zakat declaration, and those years have not been examined to date.

**15-COMPARISON FIGURES**

Some of the comparative figures have been reclassified to conform with the current presentation of the interim condensed consolidated financial statements.

**16-SUBSEQUENT EVENTS**

On 3 September 2023, the Board of Directors for Tabuk Agricultural Development Company decided to loss of control over this subsidiary “Food Horizons Company”, based on the Food Horizon Company announcement on August 6, 2023, of the resignation of the Chairman of the Board of Directors and two members of the Board of Directors, and from this date the group loss the control over this subsidiary company.

There have been no events after the date of the consolidated statement of financial position requiring modification or disclosure of these interim condensed consolidated financial statements.

**17-APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the Board of Directors in 3 Rabi' Al-Awwal 1445H (corresponding to 18 September 2023).