

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**  
**FOR THE THREE- MONTH PERIOD ENDED 31 MARCH 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 PERIOD ENDED 31 MARCH 2023  
(Expressed in Saudi Riyals)

---

<b><u>INDEX</u></b>	<b><u>Page</u></b>
Independent auditor’s review report on the interim condensed consolidated financial statements	1 - 2
Interim Condensed Consolidated Statement of financial position	3
Interim Condensed Consolidated Statement of profit or loss and other comprehensive income	4
Interim Condensed Consolidated Statement of changes in shareholders’ equity	5
Interim Condensed Consolidated Statement of cash flows	6
Notes to the Interim condensed Consolidated financial Statements	7 – 20

**PKF****Ibrahim Ahmed Al-Bassam & Co.**Certified Public Accountants  
(Member of PKF International)**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 (1/2)****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 (hereinafter referred to as "the Group") as at 31 March 2023 and the related interim condensed consolidated statement of profit and loss, statement of other comprehensive income, changes in shareholders' equity and cash flows for the Three-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" (IAS 34) 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.

**SCOPE OF REVIEW**

Except for the effects of the matter described in the paragraph of basis for qualified conclusion, 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.

**BASIS OF QUALIFIED CONCLUSION**

As explained in note (8) 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 not reflected on this interim condensed consolidated financial statement for the period ended 31 March 2023, and its impact on the financial position and retained earnings as at 31 March 2023 and 31 December 2022.

**QUALIFIED CONCLUSION**

Based on our review, and 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.

**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 25.3 million, and total liabilities amount to SAR 25.2 million, revenue amount to SAR 0.03 million, and total expenses amount to SAR 1.2 million.



**PKF**

**Ibrahim Ahmed Al-Bassam & Co.**  
Certified Public Accountants  
(Member of PKF International)

**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 (2/2)**

**OTHERS MATTER**

The interim condensed consolidated financial statements for the three-month period ended 31 March 2022, were reviewed by another auditor who expressed a qualified conclusion dated 25 Shawal 1443 corresponding to 26 May 2022, accordance with international financial reporting standard that are endorsed in the kingdom of Saudi Arabia.

Following is the basis of qualified conclusion on the interim condensed consolidated financial statements for the period ended 31 March 2022:

We didn't obtain the financial statements of Eastern Asia for Agricultural investment Company accordance with international financial reporting standards that are endorsed in the kingdom of Saudi Arabia for the period ended 31 March 2022, As a result of this matters, we were unable to determine whether any adjustments might have been found necessary to include in the accompanying interim condensed consolidated statement of financial position as at 31 March 2022, including the interim condensed consolidated statement of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the period then ended.

For Al-Bassam & Co.



Ahmed Abdulmajeed Mohandis  
Certified Public Accountant  
License No. (477)  
Jeddah: 2 Dhu al Qi'da 1444H  
Corresponding to: 22 May 2023



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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**(UNAUDITED)**

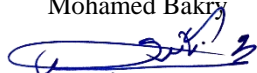
**AS AT 31 MARCH 2023**

(Expressed in Saudi Riyals)

	Note	31 March 2023 (Unaudited)	31 December 2022 (Audited)
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment, net	6	303,794,538	305,443,303
Right of use asset, net		735,376	742,307
Intangible assets, net		--	1,069
Biological assets - non-current portion, net	7	18,941,240	18,941,240
Investments in associate companies through equity method	8	14,836,911	18,493,158
Investments at fair value through OCI	8	681,458	681,458
<b>Total Non-Current Assets</b>		<b>338,989,523</b>	<b>344,302,535</b>
<b>Current Assets</b>			
Inventory, net	9	30,269,790	38,260,531
Trade Receivable, net		14,035,425	11,214,932
Biological assets - current portion, net	7	34,102,722	18,560,499
Property, plant and equipment held for sale		370,816	370,816
Due from related parties	11	10,754,200	11,042,869
Prepayments and other receivables, net		15,476,912	11,309,641
Cash and cash equivalents		30,159,998	4,718,131
<b>Total Current Assets</b>		<b>135,169,863</b>	<b>95,477,419</b>
<b>Total Assets</b>		<b>474,159,386</b>	<b>439,779,954</b>
<b>Shareholders' Equity and Liabilities</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		(1,233,679)	(529,582)
Fair value reserve		268,658	268,658
Accumulated losses		(143,840,570)	(149,043,050)
<b>Total equity attributable to shareholders of the Company</b>		<b>249,335,577</b>	<b>244,837,194</b>
Equity for non-controlling interest		57,783,358	39,215,383
<b>Total Shareholders' Equity</b>		<b>307,118,935</b>	<b>284,052,577</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Employee defined benefit obligations		13,313,539	13,055,659
Lease liabilities –non-current portion		643,775	646,724
<b>Total Non-Current Liabilities</b>		<b>13,957,314</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	10	6,074,720	7,319,301
Lease liabilities - current portion		131,134	129,457
Trade payables		25,571,002	23,446,271
Due to related parties	11	16,108,028	25,297,535
Accrued expenses and other payables		56,796,077	38,555,141
Dividends payable to shareholders		22,993,454	22,997,464
Provision Zakat		7,224,692	6,095,795
<b>Total current liabilities</b>		<b>153,083,137</b>	<b>142,024,994</b>
<b>Total liabilities</b>		<b>167,040,451</b>	<b>155,727,377</b>
<b>Total Shareholders' Equity and Liabilities</b>		<b>474,159,386</b>	<b>439,779,954</b>

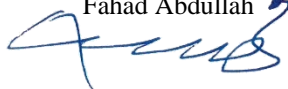
**Chief Financial Officer**

Mohamed Bakry



**Chief Executive Officer**

Fahad Abdullah



**Authorized Board Member**

Yousef Abdullah



The accompanying notes are an integral part of these 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 PERIOD ENDING ON 31 MARCH 2023**  
(Expressed in Saudi Riyals)

	Note	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Sales, Net		21,300,175	21,577,613
Cost of sales		(17,475,187)	(19,527,174)
<b>Gross profit</b>		<b>3,824,988</b>	2,050,439
Selling and distribution expenses		(5,521,336)	(3,959,023)
General and administrative expenses		(7,117,072)	(7,291,797)
<b>Operating losses</b>		<b>(8,813,420)</b>	(9,200,381)
Group shares of the losses from investments in associate companies through equity method		(2,952,150)	(862,435)
Other expenses / revenue, net		(965,792)	1,359,814
<b>loss before Zakat</b>		<b>(12,731,362)</b>	(8,703,002)
Zakat		(1,128,897)	(1,429,634)
<b>Net loss for the period</b>		<b>(13,860,259)</b>	(10,132,636)
<b>Other comprehensive losses items</b>			
<b>Items that may be reclassified later to profit or loss:</b>			
Foreign currency translation differences		(704,097)	--
<b>Total other comprehensive loss items</b>		<b>(704,097)</b>	--
<b>Total comprehensive loss for the period</b>		<b>(14,564,356)</b>	(10,132,636)
Basic loss per share from net loss for the year	12	(0.35)	(0.26)
<b>Loss for the year attributable to:</b>			
Shareholders of the parent company		(13,918,520)	(10,559,506)
non-controlling interest		58,261	426,870
		<b>(13,860,259)</b>	(10,132,636)
<b>Comprehensive loss attributable to:</b>			
Shareholders of the parent company		(14,622,617)	(10,559,506)
non-controlling interest		58,261	426,870
		<b>(14,564,356)</b>	(10,132,636)

**Chief Financial Officer**  
Mohamed Bakry



**Chief Executive Officer**  
Fahad Abdullah



**Authorized Board Member**  
Yousef Abdullah



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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (UNAUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023**  
(Expressed in Saudi Riyals)

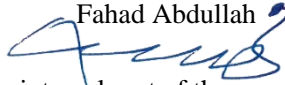
	Share capital	Other reserves	Re-measurement reserve of employee benefit obligations	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total equity attributable to shareholders of the Parent Company	Equity for non-controlling interest	Total
<b>31 March 2023</b>									
Balance 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	--	--	--	--	--	(13,918,520)	(13,918,520)	58,261	(13,860,259)
Other comprehensive loss	--	--	--	(704,097)	--	--	(704,097)	--	(704,097)
<b>Total comprehensive loss for the period</b>	--	--	--	(704,097)	--	(13,918,520)	(14,622,617)	58,261	(14,564,356)
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 31 MARCH 2023</b>	<b>391,767,000</b>	<b>1,858,734</b>	<b>515,434</b>	<b>(1,233,679)</b>	<b>268,658</b>	<b>(143,840,570)</b>	<b>249,335,577</b>	<b>57,783,358</b>	<b>307,118,935</b>
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	--	--	--	--	--	(10,559,506)	(10,559,506)	426,870	(10,132,636)
Other comprehensive loss	--	--	--	--	--	--	--	--	--
<b>Total comprehensive loss for the period</b>	--	--	--	--	--	(10,559,506)	(10,559,506)	426,870	(10,132,636)
Adjustments on investments in a subsidiary	--	--	--	--	--	429,745	429,745	(1,003,565)	(573,820)
Absorption losses from non-controlling interest holders for (Subsidiary Company)	--	--	--	--	--	--	--	1,887,473	1,887,473
<b>Balance as of 31 MARCH 2022</b>	<b>391,767,000</b>	<b>1,858,734</b>	<b>479,961</b>	<b>--</b>	<b>--</b>	<b>(106,542,641)</b>	<b>287,563,054</b>	<b>40,820,706</b>	<b>328,383,760</b>

\*Represent absorption losses from non-controlling interest holders for Masader Agricultural Feed Mill Ltd Company (subsidiary company) which is owned by TABUK Agricultural Development Company by 60% and the total losses will be absorption by partners amounted by SAR (23,011,569), and the Non-controlling interest represent 40% amounted 9,204,628 Saudi Riyal, based on the partner decision dated 22 March 2023 for 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 consolidated financial statements

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**  
(Expressed in Saudi Riyals)

	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
<b><u>OPERATING ACTIVITIES:</u></b>		
Loss for the period before zakat	(12,731,362)	(8,703,002)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	5,978,819	6,462,319
Provision for employees defined benefit obligations - charged for the period	670,050	162,013
Amortization of intangible assets	1,069	4,477
Amortization of right of use assets	6,931	--
Provision for expected credit losses	(594,507)	(596,410)
The group shares of losses from investment in associate companies through equity method	2,952,150	862,435
Adjustments on investments in a subsidiary	--	(573,820)
<b><u>Changes in operating assets and liabilities</u></b>		
Inventory	7,990,740	423,076
Trade Receivables	(2,227,260)	(1,369,799)
Due from related parties	9,493,297	334,005
Prepayments and other receivables	(4,167,270)	(2,146,283)
Biological assets	(15,542,223)	(15,353,460)
Trade payables	2,124,733	(583,516)
Due to related parties	(9,189,507)	562,319
Accrued expenses and other payables	18,240,935	(2,336,960)
<b>Cash generated from / (used in) operating activities</b>	<b>3,006,595</b>	<b>(22,852,606)</b>
Employees defined benefit obligations paid	(412,169)	--
Zakat paid during the period	--	(2,253,007)
<b>Net cash generated from / (used in) operating activities</b>	<b>2,594,426</b>	<b>(25,105,613)</b>
<b><u>INVESTING ACTIVITIES:</u></b>		
Paid to purchase of property, plant and equipment	(4,330,054)	(9,435,965)
Transaction with Non – controlling interest	28,426,086	--
<b>Net cash generated from / (used in) investing activities</b>	<b>24,096,032</b>	<b>(9,435,965)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
paid from long-term loans	(1,244,581)	--
Dividends paid	(4,010)	(7,026)
<b>Net cash used in financing activities</b>	<b>(1,248,591)</b>	<b>(7,026)</b>
Net change in cash and cash equivalents	25,441,867	(34,548,604)
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>30,159,998</b>	<b>22,659,128</b>
<b><u>Non-cash transactions</u></b>		
Absorption losses from non-controlling interest holders for (Subsidiary Company)	(9,204,628)	(1,887,473)
Due from related party	9,204,628	1,887,473

**Chief Financial Officer**  
Mohamed Bakry



**Chief Executive Officer**  
Fahad Abdullah



**Authorized Board Member**  
Yousef Abdullah





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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(UNAUDITED)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

**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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2023  
(Expressed in Saudi Riyals)

---

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

**2/4 Going Concern**

The company's accumulated losses amounted to SAR (143,840,570) as of 31 March 2023, which represents 36.7% of the capital, which requires the company, 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 Standards, Interpretations, and Amendments to Existing Standards**

There are no new standards that have been issued. However, a number of amendments to the standards are effective as of 1 January 2022, which were explained in the company's annual financial statements issued on 31 December 2022, but they do not have a material impact on the company's summary consolidated preliminary financial statements.

Management expects that the interpretations and amendments to these new standards will be adopted in the Group consolidated financial statements when applicable, and the application of such interpretations and amendments may not have any material impact on the Group consolidated financial statements in the initial recognition period.

**3- BASIS OF CONSOLIDATION**

The consolidated financial statements include the financial statements of Tabuk Agricultural Development Company “TADCO” (the “Company” or “Parent Company”) and its subsidiaries (together referred to as the “Group”) as of 31 march 2023. The date of the financial statements for all subsidiaries is 31 march 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.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2023  
(Expressed in Saudi Riyals)

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

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

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

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

Company Name	Commercial registration number	Legal Form	Country of incorporation	Direct ownership percentage as of		Activity
				2023	2022	
Horizon Food Company Limited*	2051220421	joint stock company	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.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2023  
(Expressed in Saudi Riyals)

---

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

\* 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 19.3 million (after deducting offering costs), noting That Tabuk Agriculture Development Company has not lost control on Horizon Food Company and still owns 3,200,000 shares (equivalent to 40%) in Horizon Food Company, which is still a subsidiary of Tabuk Agriculture Development Company.

\*\* 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 financial operations in the name of the affiliated group to the waiver agreement signed between The owner of the establishment (one of the partners) and the group, where the total assets of the Masader Agricultural Feed Mill Ltd Company included in these consolidated financial statements amounted to SR 25.3 million, and its total expenses amounted to SR 1.2 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.

\*\*\*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 procedures for liquidation will begin.

**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.

**5- SIGNIFICANT ACCOUNTING POLICIES.**

**New standards, amendments to standards and interpretations**

There are no new standards that have been issued. However, a number of amendments to the standards are effective as of January 1, 2022, which were explained in the company's annual financial statements issued on December 31, 2022, but they do not have a material impact on the company's summary interim condensed consolidated financial statements for group.

**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

(Expressed in Saudi Riyals)

**6- 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	--	--	124,372	--	92,750	--	10,292	4,102,640	4,330,054
Transfers from project under construction to PPE	--	--	--	--	--	1,188,905	--	(1,188,905)	--
<b>As of 31 March 2023</b>	<b>43,220,600</b>	<b>332,749,952</b>	<b>161,803,955</b>	<b>188,848,739</b>	<b>25,207,337</b>	<b>74,733,692</b>	<b>11,706,096</b>	<b>77,148,897</b>	<b>915,419,268</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	--	1,362,183	2,461,173	772,932	303,939	992,242	86,350	--	5,978,819
<b>As of 31 March 2023</b>	<b>--</b>	<b>222,908,498</b>	<b>135,006,492</b>	<b>177,508,214</b>	<b>21,733,916</b>	<b>43,740,183</b>	<b>10,727,427</b>	<b>--</b>	<b>611,624,730</b>
<b><u>Net book value</u></b>									
<b>As of 31 March 2023</b>	<b>43,220,600</b>	<b>109,841,454</b>	<b>26,797,463</b>	<b>11,340,525</b>	<b>3,473,421</b>	<b>30,993,509</b>	<b>978,669</b>	<b>77,148,897</b>	<b>303,794,538</b>
As of 31 December 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

\* Buildings and constructions include cold storages with a net book value of SR 40 million, and are mortgaged in favor of the Agricultural Development Fund as a guarantee for the loan granted to the Group.

\*\* Machinery and equipment include the assets of the Masader Agricultural Feed Mill Ltd Co. (Subsidiary Company), whose net book value as at 31 March 2023 amount to SR 19 million and is mortgaged in favor of the Saudi Industrial Development Fund as a guarantee for the loan granted to the Group.



**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**  
(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**

**For the period ended 31 MARCH 2023**

(Expressed in Saudi Riyals)

**7- 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 31 MARCH 2023**

	<b>Sheep</b>	<b>Crops*</b>	<b>Total</b>
Biological assets classified as non-current assets	<b>18,941,240</b>	<b>--</b>	<b>18,941,240</b>
Biological assets classified as current assets	<b>3,083,082</b>	<b>31,019,640</b>	<b>34,102,722</b>
	<b>22,024,322</b>	<b>31,019,640</b>	<b>53,043,962</b>

**As on 31 December 2022**

	<b>Sheep</b>	<b>Crops</b>	<b>Total</b>
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
	20,508,290	16,993,449	37,501,739

\*The fair value of the crops was classified using the cost minus accumulated depreciation or impairment accordance with International Accounting Standard No. (41) based on the inputs used.

**8- INVESTMENTS**

**8/1 Investments in companies using the equity method**

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

	<b>Sharing percentage</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
Eastern Asia Company for Agriculture investment *	28.57%	<b>12,582,092</b>	14,933,874
Gulf Company for Sustainable Energy Technology **	50%	--	--
Rakha Company for Agricultural Investment and Development***	21.61%	<b>2,254,819</b>	3,559,284
		<b>14,836,911</b>	18,493,158

\*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.

**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**  
(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**

**For the period ended 31 MARCH 2023**

(Expressed in Saudi Riyals)

**8- INVESTMENTS (CONTINUED)**

**8/1 Investments at fair value through equity method (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.

**8/2 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.

**9- INVENTORY, NET**

	<b>31 March 2023</b>	31 December 2022
Wheat	<b>1,823,633</b>	3,251,380
Feeds	<b>41,964</b>	1,485,790
Seeds	<b>505,407</b>	1,011,383
Fruits	<b>5,556,803</b>	6,175,450
Fertilizers and chemicals	<b>1,494,867</b>	1,994,765
Processed meat	<b>8,227,632</b>	12,516,623
Other spare parts and consumables	<b>15,276,401</b>	14,482,057
	<b>32,926,707</b>	40,917,448
Less: Provision for slow-moving inventories	<b>(2,656,917)</b>	(2,656,917)
	<b>30,269,790</b>	38,260,531

**10- LOANS**

Loans consist of the following:

	<b>31 March 2023</b>	31 December 2022
Saudi Industrial Development Fund	<b>5,500,000</b>	5,500,000
Agricultural Development Fund	<b>574,720</b>	1,819,301
	<b>6,074,720</b>	7,319,301
Non-current portion under Non-current liabilities items	--	--
Current portion under current liabilities items	<b>6,074,720</b>	7,319,301
	<b>6,074,720</b>	7,319,301

**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**  
(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**

**For the period ended 31 MARCH 2023**

(Expressed in Saudi Riyals)

**10- LOANS (CONTINUED)**

**10/1** 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).

**10/2** The group obtained two loans, the first on 17 October 2010, and the second on 13 October 2011. of the first loan amounted to SR 18,401,404, and the second loan amounted to SR 1,598,594, to finance the purchase of cooling warehouses, provided that the payment is made in equal annual installments, which ends on 22 June 2023. The loan is secured against the assets of the cold storage warehouses owned by the group (Note 6).

**11- TRANSACTIONS WITH RELATED PARTIES**

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

<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 31 March 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	--	288,669	5,531,066
		11,042,869		288,669	10,754,200

\* 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).

**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**  
(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**

**For the period ended 31 MARCH 2023**

(Expressed in Saudi Riyals)

**11-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 31 March 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

**12- LOSS PER SHARE**

	31 March 2023	31 March 2022
losses for the year attributable to equity shareholders	(13,860,259)	(10,132,636)
Weighted average number of common shares used as the denominator in calculating basic and diluted earnings per share	39,176,700	39,176,700
Profit basic and diluted earnings per share (EPS) from continuing operations	(0.35)	(0.26)

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.

**13- 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**For the period ended 31 MARCH 2023**  
(Expressed in Saudi Riyals)

---

**13-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:

The cash flows included in the above maturity analysis are not expected to accrue at an early date or in materially different 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”**  
(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**

**For the period ended 31 MARCH 2023**

(Expressed in Saudi Riyals)

**13- FINANCIAL 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>2023</b>	<b>2022</b>
Cash and cash equivalents	<b>30,159,998</b>	4,718,131
Trade receivables, net	<b>14,035,425</b>	11,214,932
Due from related parties	<b>10,754,200</b>	11,042,869
	<b>54,949,623</b>	26,975,932

**Trade receivables aging at the reporting date is as follows:**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
Less than three months		<b>7,211,695</b>	7,467,782
More than three months and less than six months		<b>5,502,487</b>	2,661,837
More than nine months and less than a year		<b>2,194,388</b>	1,736,297
More than a year		<b>9,674,136</b>	9,301,790
<b>Total before deducting expected credit losses</b>		<b>24,582,706</b>	21,167,706
After deducting provision:			
Provision for expected credit losses	<b>13/1</b>	<b>(10,547,281)</b>	(9,952,774)
Trade receivables, Net		<b>14,035,425</b>	11,214,932

**13/1 Provision for expected credit losses as follow:**

	<b>2023</b>	<b>2022</b>
Balance at the beginning of the year	<b>9,952,774</b>	9,483,724
Provided during the year	<b>594,507</b>	469,050
Balance at the end of the year	<b>10,547,281</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.

**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**  
(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**

**For the period ended 31 MARCH 2023**

(Expressed in Saudi Riyals)

---

**14- 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

**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)****For the period ended 31 MARCH 2023**

(Expressed in Saudi Riyals)

**14-SEGMENT REPORTING (CONTINUED)**

<b>31 MARCH 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>805,854</b>	<b>1,089,888</b>	<b>630,022</b>	<b>1,545,620</b>	<b>3,940,911</b>	<b>13,287,880</b>	<b>21,300,175</b>
<b>Depreciation and amortization</b>	<b>1,617,708</b>	<b>586,885</b>	<b>339,256</b>	<b>832,288</b>	<b>1,684,859</b>	<b>925,823</b>	<b>5,986,819</b>
<b>Net (loss) / profit for the period**</b>	<b>(2,554,912)</b>	<b>(1,948,880)</b>	<b>(1,126,573)</b>	<b>(2,763,796)</b>	<b>(6,342,828)</b>	<b>876,730</b>	<b>(13,860,259)</b>
<b>Total Assets</b>	<b>58,981,298</b>	<b>47,443,978</b>	<b>27,425,542</b>	<b>67,282,482</b>	<b>171,552,003</b>	<b>101,474,083</b>	<b>474,159,386</b>
<b>Total liabilities</b>	<b>38,212,256</b>	<b>18,342,405</b>	<b>10,603,040</b>	<b>26,012,206</b>	<b>66,324,037</b>	<b>7,546,507</b>	<b>167,040,451</b>

<b>31 March 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>895,182</b>	<b>--</b>	<b>79,872</b>	<b>151,453</b>	<b>1,874,446</b>	<b>18,576,660</b>	<b>21,577,613</b>
<b>Depreciation and amortization</b>	<b>709,218</b>	<b>--</b>	<b>201,925</b>	<b>382,888</b>	<b>4,738,794</b>	<b>433,971</b>	<b>6,466,796</b>
<b>Net (loss) / profit for the year**</b>	<b>(1,378,249)</b>	<b>--</b>	<b>(402,637)</b>	<b>(763,477)</b>	<b>(9,449,143)</b>	<b>1,860,870</b>	<b>(10,132,636)</b>
<b>Total Assets</b>	<b>49,112,645</b>	<b>--</b>	<b>12,567,641</b>	<b>23,830,647</b>	<b>294,939,099</b>	<b>91,514,944</b>	<b>471,964,976</b>
<b>Total liabilities</b>	<b>49,121,558</b>	<b>--</b>	<b>3,412,564</b>	<b>6,470,873</b>	<b>80,086,520</b>	<b>4,489,701</b>	<b>143,581,216</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.

**TABUK AGRICULTURAL DEVELOPMENT COMPANY “TADCO”**  
(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**For the period ended 31 MARCH 2023**  
(Expressed in Saudi Riyals)

---

**15- ZAKAT STATUS**

- The final assessment finalized for the years till 2012 and 2017, 2019, 2020, and the due settled.
- The company issued a final assessment for the years from 2014 to 2018, and its total zakat differences amounted to SR 2,610,073, and it was escalated to the general secretariat of the tax committees.

<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

- Zakat return for the year 2021 with a value of SR 1,050,219, and zakat settled accordingly.
- Zakat return prepared for the year 2022, with amount of SR 1,490,826, and not settled yet.
- Zakat return prepared for the first quarter dated 31 March 2023, with amount of SR 978,447.

**16-COMPARISON FIGURES**

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

**17-SUBSEQUENT EVENTS**

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.

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

The consolidated financial statements were approved by the Board of Directors in 2 Dhu al Qi'da 1444H (corresponding to 22 May 2023).