

**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**

CONDENSED CONSOLIDATED INTERIM FINANCIAL  
INFORMATION (UNAUDITED)  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022  
AND REPORT ON REVIEW OF CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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## Report on review of Interim Financial Information

### To the shareholders of Tammiah Food Company (A Saudi Joint Stock Company)

#### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Tammiah Food Company (the “Company”) and its subsidiaries (together the “Group”) as of March 31, 2022 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

#### Scope of review

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

#### Conclusion

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

#### PricewaterhouseCoopers

Ali A. Alotaibi  
License Number 379




April 21, 2022


**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of financial position**  
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at March 31, 2022 (Unaudited)	As at December 31, 2021 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	267,310,996	254,249,228
Right-of-use assets	7	274,491,838	236,694,369
Intangible assets		3,463,354	2,667,011
Financial assets at fair value through other comprehensive income		773,983	773,983
<b>Total non-current assets</b>		<b>546,040,171</b>	<b>494,384,591</b>
<b>Current assets</b>			
Inventories	8	285,425,612	213,996,555
Biological assets	9	106,028,018	87,611,058
Contract assets		4,570,569	4,100,209
Trade receivables and other debtors	10	212,811,537	217,274,506
Prepayments and other receivables	11	118,021,552	124,388,769
Cash and cash equivalents		100,034,239	185,891,241
<b>Total current assets</b>		<b>826,891,527</b>	<b>833,262,338</b>
<b>Total assets</b>		<b>1,372,931,698</b>	<b>1,327,646,929</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	200,000,000	200,000,000
Statutory reserve		15,879,313	15,879,313
Retained earnings		141,865,328	140,323,346
<b>Total equity</b>		<b>357,744,641</b>	<b>356,202,659</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employee benefit obligations		103,087,476	98,755,351
Lease liabilities	7	179,509,485	151,092,645
Borrowings	13	16,852,455	27,384,992
<b>Total non-current liabilities</b>		<b>299,449,416</b>	<b>277,232,988</b>
<b>Current liabilities</b>			
Borrowings	13	284,840,882	295,765,461
Trade payables	14	214,254,477	194,475,477
Contract liabilities		526,968	751,837
Accrued and other liabilities	15	138,148,476	131,097,851
Lease liabilities	7	68,718,549	63,483,158
Provision for zakat	16	9,248,289	8,637,498
<b>Total current liabilities</b>		<b>715,737,641</b>	<b>694,211,282</b>
<b>Total liabilities</b>		<b>1,015,187,057</b>	<b>971,444,270</b>
<b>Total equity and liabilities</b>		<b>1,372,931,698</b>	<b>1,327,646,929</b>

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

  
\_\_\_\_\_  
Chairman of the Board of  
Directors

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial  
Officer



**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of comprehensive income**  
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Three-month period ended	
		March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Revenue	18	435,329,285	368,337,554
Cost of sales	19	(344,261,915)	(279,015,760)
<b>Gross profit</b>		<b>91,067,370</b>	<b>89,321,794</b>
Selling and distribution expenses	20	(56,241,207)	(42,528,929)
General and administrative expenses	21	(26,461,029)	(19,054,938)
Impairment loss on financial assets	10	(300,000)	(1,613,595)
Other income		392,516	483,788
<b>Operating profit</b>		<b>8,457,650</b>	<b>26,608,120</b>
Finance costs		(6,304,877)	(6,128,463)
<b>Profit before zakat</b>		<b>2,152,773</b>	<b>20,479,657</b>
Zakat		(610,791)	(1,689,908)
<b>Profit for the period</b>		<b>1,541,982</b>	<b>18,789,749</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurements of employee benefit obligations		-	-
<b>Total comprehensive income for the period</b>		<b>1,541,982</b>	<b>18,789,749</b>
<b>Basic and diluted earnings per share</b>	23	<b>0.08</b>	<b>0.94</b>

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

Chairman of the Board of  
Directors

Chief Executive Officer

Chief Financial  
Officer

**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of changes in equity**  
 (All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Total equity
<b>Balance at January 1, 2022</b> <b>(Audited)</b>	<b>200,000,000</b>	<b>15,879,313</b>	<b>140,323,346</b>	<b>356,202,659</b>
Profit for the period	-	-	1,541,982	1,541,982
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	1,541,982	1,541,982
<b>Balance at March 31, 2022</b> <b>(Unaudited)</b>	<b>200,000,000</b>	<b>15,879,313</b>	<b>141,865,328</b>	<b>357,744,641</b>
<b>Balance at January 1, 2021</b> <b>(Audited)</b>	<b>200,000,000</b>	<b>14,523,655</b>	<b>133,011,913</b>	<b>347,535,568</b>
Profit for the period	-	-	18,789,749	18,789,749
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	18,789,749	18,789,749
<b>Balance at March 31, 2021</b> <b>(Unaudited)</b>	<b>200,000,000</b>	<b>14,523,655</b>	<b>151,801,662</b>	<b>366,325,317</b>

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

Chairman of the Board of  
Directors

Chief Executive Officer

Chief Financial  
Officer

**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of cash flows (continued)**  
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Three-month period ended	
		March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit before zakat		2,152,773	20,479,657
<u>Adjustments for:</u>			
Depreciation on property, plant and equipment		6,301,608	5,474,509
Depreciation on right-of-use assets	7	20,094,234	15,843,520
Amortisation of intangible assets		162,910	137,839
Impairment loss on financial assets	10	300,000	1,613,595
Provision for slow-moving inventories	8	1,577,749	1,819,676
Net gain on disposal of property, plant and equipment		(5,812)	-
Provision for employee benefit obligations		4,815,945	5,379,901
(Gain) / loss on termination of lease contracts	7	(82,875)	100,259
Government subsidy accrued	11	(7,461,368)	(11,495,262)
Finance costs		3,168,380	3,476,982
Interest on lease liabilities	7	3,136,497	2,651,481
<u>Changes in operating assets and liabilities:</u>			
Inventories		(73,006,806)	(5,071,161)
Trade receivables and other debtors		4,162,969	(27,242,766)
Biological assets		(18,416,960)	6,761,842
Contract assets		(470,360)	(1,115,048)
Prepayments and other receivables		13,828,585	23,036,615
Trade payable		19,779,000	6,093,420
Contract liabilities		(224,869)	-
Accrued and other liabilities		8,023,785	7,401,863
Cash (utilised in) / generated from operations		(12,164,615)	55,346,922
Zakat paid		-	(7,083,549)
Employee benefit obligations paid		(1,456,980)	(713,182)
Finance cost paid		(3,185,411)	(3,307,182)
<b>Net cash (used in) / generated from operating activities</b>		<b>(16,807,006)</b>	<b>44,243,009</b>
<b>Cash flows from investing activities</b>			
Payments for purchases of property, plant and equipment		(19,363,376)	(12,761,415)
Proceeds from disposal of property, plant and equipment		5,812	-
Payments for additions to intangible assets		(959,253)	-
<b>Net cash used in investing activities</b>		<b>(20,316,817)</b>	<b>(12,761,415)</b>
<b>Cash flows from financing activities</b>			
Lease payments		(27,293,094)	(22,433,609)
Short-term borrowings		(23,823,876)	(16,405,100)
Proceeds from long-term borrowings		19,940,095	-
Repayments of long-term borrowings		(17,556,304)	-
<b>Net cash used in financing activities</b>		<b>(48,733,179)</b>	<b>(38,838,709)</b>
Net decrease in cash and cash equivalents		(85,857,002)	(7,357,115)
Cash and cash equivalents at the beginning of the period		185,891,241	60,459,134
<b>Cash and cash equivalents at the end of the period</b>		<b>100,034,239</b>	<b>53,102,019</b>

(continued)



**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of cash flows (continued)**  
 (All amounts in Saudi Riyals unless otherwise stated)

	Three-month period ended	
	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
<b>Supplemental non-cash information</b>		
Employee termination benefits transferred from accrued and other liabilities	973,160	-
Lease liabilities written off due to termination of lease contracts	7      2,635,899	1,921,982
Right-of-use assets written off due to termination of lease contracts	7      (2,553,024)	(3,274,189)
Receivable recognised from a lessor on termination of lease contracts	-	1,251,948
Employee benefit obligations transferred to a related party	-	(1,191)

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

Chairman of the Board of  
Directors

Chief Executive Officer

Chief Financial  
Officer



**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial information for the three-month period ended March 31, 2022 (Unaudited)**

(All amounts in Saudi Riyals unless otherwise stated)

**1 Corporate information**

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

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

At March 31, 2022 and December 31, 2021, the accompanying condensed consolidated interim financial information include the financial information of the Company and its subsidiaries operating under individual commercial registrations as disclosed in Note 4.

During the three-month period ended March 31, 2022 global commodity prices for certain key raw materials increased significantly primarily due to the ongoing conflict between Russia and Ukraine. The increase in raw material prices had a significant impact on the gross margins and profitability of the Group and in particular its subsidiary, Agricultural Development Company Limited (“ADC”). The same was also identified by the Group as an impairment indicator for ADC and determined the recoverable amounts of ADC’s non-current assets based on value-in-use calculations. These calculations required the use of estimates in relation to the future cash flows and use of an appropriate discount rate and terminal growth rate applicable to the circumstances of ADC. Based on such value-in-use calculations the Group management concluded that there was no impairment loss as at and for the period ended March 31, 2022.

Future events could cause the estimates used in these value-in-use calculations to change adversely with a consequent effect on the future results of the Group. The Group management has performed a sensitivity analysis around the estimates and believes that there are no estimates, a reasonable possible change in which may cause the carrying value of ADC’s non-current assets to exceed their recoverable amounts.

**Impact of COVID - 19**

In response to the spread of COVID-19 in Gulf Cooperation Council (“GCC”) and its resulting disruptions to the social and economic activities in those markets over last two years, the Group’s management continues to proactively assess its impacts on its operations and the preventive measures taken by the Group in 2020 and 2021 are still in effect. The Group’s management has considered the potential impacts of COVID-19 on the Group’s operations and concluded that as of the date of approval of these condensed consolidated interim financial information, the COVID-19 pandemic has had no direct material impact on the Group’s financial results and no significant changes are required to the judgements and key estimates used in the preparation of the Group’s condensed consolidated interim financial information for the three-month period ended March 31, 2022.

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

**2 Accounting policies**

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

**2.1 Basis of preparation**

This condensed consolidated interim financial information of the Group has been prepared in compliance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

## **TANMIAH FOOD COMPANY**

**(A Saudi Joint Stock Company)**

### **Notes to the condensed consolidated interim financial information for the three-month period ended March 31, 2022 (Unaudited)**

(All amounts in Saudi Riyals unless otherwise stated)

## **2 Accounting policies (continued)**

### **2.1 Basis of preparation (continued)**

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

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

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

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

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

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

### **2.2 New and amended standards adopted by the Group**

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

## **3 Critical accounting estimates and judgments**

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period were the same as those described in the latest annual consolidated financial statements. The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Also see Note 1.

**TANMIAH FOOD COMPANY**  
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**Notes to the condensed consolidated interim financial information for the three-month period ended March 31, 2022 (Unaudited)**

(All amounts in Saudi Riyals unless otherwise stated)

**4 Interests in other entities**

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

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

**5 Fair value measurement of financial instruments**

*a) Recognised fair value measurements*

Fair value is the price that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial information for the three-month period ended March 31, 2022 (Unaudited)**

(All amounts in Saudi Riyals unless otherwise stated)

**5 Fair value measurement of financial instruments (continued)**

*b) Fair value hierarchy*

	<b>March 31, 2022 (Unaudited)</b>					
	<b>FVOCI</b>	<b>Amortised cost</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>						
Unlisted equity securities	<b>773,983</b>	-	<b>773,983</b>	-	-	<b>773,983</b>
Trade receivables and other debtors	-	<b>212,811,537</b>	<b>212,811,537</b>	-	-	-
Contract assets	-	<b>4,570,569</b>	<b>4,570,569</b>	-	-	-
Cash at banks	-	<b>100,034,239</b>	<b>100,034,239</b>	-	-	-
Government subsidy, employee and other receivables	-	<b>26,310,125</b>	<b>26,310,125</b>	-	-	-
<b>Total financial assets</b>	<b>773,983</b>	<b>343,726,470</b>	<b>344,500,453</b>	-	-	<b>773,983</b>

Financial assets at FVOCI comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. This is the strategic investment and the Group considers this classification to be more relevant.

	<b>December 31, 2021 (Audited)</b>					
	<b>FVOCI</b>	<b>Amortised cost</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>						
Unlisted equity securities	773,983	-	773,983	-	-	773,983
Trade receivables and other debtors	-	217,274,506	217,274,506	-	-	-
Contract assets	-	4,100,209	4,100,209	-	-	-
Cash at banks	-	185,891,241	185,891,241	-	-	-
Government subsidy, employee and other receivables	-	23,123,718	23,123,718	-	-	-
<b>Total financial assets</b>	<b>773,983</b>	<b>430,389,674</b>	<b>431,163,657</b>	-	-	<b>773,983</b>

Financial liabilities includes borrowings, trade payables, contract liabilities, accrued and other liabilities and lease liabilities. All financial liabilities as of March 31, 2022 and December 31, 2021 are measured at amortised cost. The carrying values of the financial liabilities under amortised cost approximate their fair values.

*c) Valuation techniques used to determine fair values*

Unlisted equity securities are valued using discounted cash flow analysis.

*d) Valuation process*

The finance department of the Group includes a team that performs the valuations of financial instruments required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). The main level 3 inputs used by the Group are derived and evaluated based on:

- expected cash inflow from the disposal of investment.
- earnings growth factor for unlisted equity securities are based on the actual growth rate of the investee till the date of its disposal.



**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial information for the three-month period ended March 31, 2022 (Unaudited)**

(All amounts in Saudi Riyals unless otherwise stated)

**6 Property, plant and equipment**

The additions during the three-month period ended March 31, 2022 amounting to Saudi Riyals 19.4 million (December 31, 2021: Saudi Riyals 122.2 million), mainly represent additions to capital work-in-progress for construction of feed mill, expansion of the current capacity of the processing plant and tree plantation project.

**7 Leases**

(i) *The Group's leasing activities and how these are accounted for:*

The Group leases various accommodations, warehouses, buildings, poultry processing plants, farms, vehicles and offices. Rental contracts are typically made for fixed periods of 2 to 45 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

At March 31, 2022 and December 31, 2021, the Group did not have any lease contracts classified as right-of-use asset that are variable in nature. As at March 31, 2022 and December 31, 2021 no lease contract contain extension options exercisable solely by the Group before the end of the non-cancellable contract period. The Group does not provide residual value guarantees in relation to any of its leases.

(ii) *Right-of-use assets:*

	<b>Vehicles</b>	<b>Building</b>	<b>Total</b>
<b>2021</b>			
<b>Cost</b>			
At January 1, 2021 (Audited)	67,430,557	232,944,826	300,375,383
Additions	36,300,843	74,678,034	110,978,877
Write off	-	(3,925,797)	(3,925,797)
At December 31, 2021 (Audited)	<u>103,731,400</u>	<u>303,697,063</u>	<u>407,428,463</u>
<b>Accumulated depreciation</b>			
At January 1, 2021 (Audited)	(23,809,376)	(76,835,818)	(100,645,194)
Depreciation for the year	(19,539,365)	(51,201,143)	(70,740,508)
Write off	-	651,608	651,608
At December 31, 2021 (Audited)	<u>(43,348,741)</u>	<u>(127,385,353)</u>	<u>(170,734,094)</u>
<b>Net book value</b>			
At December 31, 2021 (Audited)	<u>60,382,659</u>	<u>176,311,710</u>	<u>236,694,369</u>
<b>2022</b>			
<b>Cost</b>			
At January 1, 2022 (Audited)	<b>103,731,400</b>	<b>303,697,063</b>	<b>407,428,463</b>
Additions	<b>25,075,096</b>	<b>35,369,631</b>	<b>60,444,727</b>
Write off	<b>(6,721,616)</b>	<b>(538,974)</b>	<b>(7,260,590)</b>
At March 31, 2022 (Unaudited)	<u><b>122,084,880</b></u>	<u><b>338,527,720</b></u>	<u><b>460,612,600</b></u>
<b>Accumulated depreciation</b>			
At January 1, 2022 (Audited)	<b>(43,348,741)</b>	<b>(127,385,353)</b>	<b>(170,734,094)</b>
Depreciation for the period	<b>(5,977,074)</b>	<b>(14,117,160)</b>	<b>(20,094,234)</b>
Write off	<b>4,609,222</b>	<b>98,344</b>	<b>4,707,566</b>
At March 31, 2022 (Unaudited)	<u><b>(44,716,593)</b></u>	<u><b>(141,404,169)</b></u>	<u><b>(186,120,762)</b></u>
<b>Net book value</b>			
At March 31, 2022 (Unaudited)	<u><b>77,368,287</b></u>	<u><b>197,123,551</b></u>	<u><b>274,491,838</b></u>

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**7 Leases (continued)**

(iii) *Lease liabilities:*

	<b>As at March 31, 2022 (Unaudited)</b>	<b>As at December 31, 2021 (Audited)</b>
At beginning of period / year	<b>214,575,803</b>	179,152,448
Additions	<b>60,444,727</b>	110,978,877
Write off	<b>(2,635,899)</b>	(1,921,982)
Lease payments	<b>(27,293,094)</b>	(85,304,609)
	<b>245,091,537</b>	202,904,734
Interest	<b>3,136,497</b>	11,671,069
At end of period / year	<b>248,228,034</b>	214,575,803

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

	<b>As at March 31, 2022 (Unaudited)</b>	<b>As at December 31, 2021 (Audited)</b>
<b>Lease liabilities</b>		
Current	<b>68,718,549</b>	63,483,158
Non-current	<b>179,509,485</b>	151,092,645
	<b>248,228,034</b>	214,575,803

During the three-month period ended March 31, 2022 the Group has terminated a few lease contracts and resultantly lease liabilities and right-of-use assets were written off and a net gain of Saudi Riyals 0.1 million (March 31, 2021: net loss of Saudi Riyals 0.1 million), was realised in the condensed consolidated interim statement of comprehensive income.

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

		<b>Three-month period ended</b>	
	<b>Note</b>	<b>March 31, 2022 (Unaudited)</b>	<b>March 31, 2021 (Unaudited)</b>
Cost of sales	19	<b>13,146,258</b>	11,393,823
Selling and distribution expenses	20	<b>6,740,173</b>	4,010,318
General and administrative expenses	21	<b>207,803</b>	439,379
		<b>20,094,234</b>	15,843,520

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

	<b>Three-month period ended</b>	
	<b>March 31, 2022 (Unaudited)</b>	<b>March 31, 2021 (Unaudited)</b>
Expense relating to short-term leases (included in cost of sales – Note 19, selling and distribution expenses – Note 20 and general and administrative expenses – Note 21)	<b>5,639,573</b>	3,347,508

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**8 Inventories**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
Raw materials	177,237,748	127,636,326
Poultry meats and other food stuff	33,229,736	22,728,798
Finished goods	26,886,214	19,353,260
Animal health products	12,507,751	12,801,141
Packaging materials	14,693,480	13,722,745
Spare parts	12,418,970	12,033,956
Equipment for sale	8,801,136	6,933,771
Goods-in-transit	869,521	1,284,606
Other	7,102,567	5,507,720
	<b>293,747,123</b>	<b>222,002,323</b>
Less: provision for slow-moving inventories	<b>(8,321,511)</b>	<b>(8,005,768)</b>
	<b>285,425,612</b>	<b>213,996,555</b>

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

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
Opening balance	8,005,768	6,822,908
Additions during the period / year	1,577,749	5,759,010
Write-offs during the period / year	<b>(1,262,006)</b>	<b>(4,576,150)</b>
Closing balance	<b>8,321,511</b>	<b>8,005,768</b>

**9 Biological assets**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
Broiler birds	25,302,801	30,312,999
Breeder birds – rearing & production	55,878,286	45,517,325
Hatchery eggs	24,846,931	11,780,734
	<b>106,028,018</b>	<b>87,611,058</b>

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

<b>Biological assets</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
Live broiler birds	The valuation model considers the average weight of bird, mortality and the estimated selling price less cost to sell [including the additional cost required to bring the birds as ready to sell (i.e. feed cost, medicines and overheads)].	<ul style="list-style-type: none"> <li>- Mortality of birds</li> <li>- Average weight of birds</li> <li>- Processing loss</li> <li>- Sales price of fully-grown bird less cost to sell.</li> </ul>	The estimated fair value would increase/ (decrease) if: <ul style="list-style-type: none"> <li>-Mortality was lower / (higher).</li> <li>-Average weight of birds higher/ (lower).</li> <li>-Processing loss was lower / (higher)</li> <li>-Selling price of fully-grown bird less cost to sell was higher/ (lower).</li> </ul>
Hatchery eggs	The valuation model considers the actual selling price less cost to sell [including the additional cost required to bring the eggs as ready to sell (i.e. overhead and vaccine cost)].	<ul style="list-style-type: none"> <li>- Hatchability of the eggs</li> </ul>	The estimated fair value would increase/ (decrease) if the hatchability was higher / (lower).

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**9 Biological assets** (continued)

The Group's finance department includes a team that performs valuations of the Group's biological assets for financial reporting purposes, including level 3 fair values. This team reports directly to the Group Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every three months.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Mortality rate of the broiler birds have been determined based on the historical rate and environmental factors.
- The broilers birds grow at different rates and there can be a considerable spread in the quality and weight of broilers that affects the price achieved. An average weight is assumed for the slaughter of broiler bird that are not yet at marketable weight.
- Hatchery eggs before incubation can be sold at a uniform price that does not fluctuate materially since the quality and weight of the eggs is not relevant at the stage of hatchery.

**10 Trade receivables and other debtors**

	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Trade receivables		223,425,430	228,278,582
Due from related parties	17	4,630,444	3,963,055
		<b>228,055,874</b>	232,241,637
Less: provision for impairment of trade receivables and other debtors		<b>(15,244,337)</b>	(14,967,131)
		<b>212,811,537</b>	217,274,506

Due from related parties as at March 31, 2022 comprises of trade receivables amounting to Saudi Riyals 2.1 million (December 31, 2021: Saudi Riyals 2.0 million) and other receivables amounting to Saudi Riyals 2.5 million (December 31, 2021: 1.9 million).

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

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Opening balance	14,967,131	11,763,628
Additions during the period / year	300,000	3,507,127
Write-offs during the period / year	<b>(22,794)</b>	(303,624)
Closing balance	<b>15,244,337</b>	14,967,131

For trade receivables, the Group applies the simplified approach to determine the expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables based on a provision matrix. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The provision matrix takes into account historical credit loss experience and is adjusted for average historical recovery rates. The historical loss rates are also considered to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified inflation rate, GDP growth rate and unemployment rate of the countries in which it sells its goods to be the most relevant macro-economic factors of forward looking information that would impact the credit risk of the customers, and accordingly adjusts the historical loss rates based on expected changes in these factors.



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**10 Trade receivables and other debtors (continued)**

The trade receivables and other debtors balance from the related parties are from the affiliates of the Group having the same ultimate shareholder. Based on management's impairment assessment, there is no provision required in respect of these balances for all the periods presented as they are considered to have low credit risk.

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

	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
<b>March 31, 2022 (Unaudited)</b>	<b>6.82%</b>	<b>223,425,430</b>	<b>15,244,337</b>
<b>December 31, 2021 (Audited)</b>	6.56%	228,278,582	14,967,131

**11 Prepayments and other receivables**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
Advances to suppliers	61,497,945	71,872,104
Prepaid expenses	30,213,482	29,392,947
Employee receivables	7,120,878	6,994,959
Government subsidy receivable	5,718,878	7,887,619
Other receivables	13,470,369	8,241,140
	<b>118,021,552</b>	<b>124,388,769</b>

Movements in government subsidy receivable is as follows:

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
Opening balance	7,887,619	11,892,836
Additions during the period / year	7,461,368	49,870,724
Collections during the period / year	<b>(9,630,109)</b>	<b>(53,875,941)</b>
Closing balance	<b>5,718,878</b>	<b>7,887,619</b>

**12 Share capital**

At March 31, 2022 and December 31, 2021, the Company's share capital of Saudi Riyals 200.0 million consisted of 20.0 million issued and fully paid shares of Saudi Riyals 10 each.

**13 Borrowings**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
<i>Non-current</i>		
Long-term bank loan	82,711,443	80,327,652
Less: Current portion of long-term bank loan	<b>(65,858,988)</b>	<b>(52,942,660)</b>
	<b>16,852,455</b>	<b>27,384,992</b>
<i>Current</i>		
Short-term bank loans	217,139,858	240,963,734
Current portion of long-term bank loan	65,858,988	52,942,660
Interest payable	1,842,036	1,859,067
	<b>284,840,882</b>	<b>295,765,461</b>

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**13 Borrowings (continued)**

The Group has short-term and long-term loan facilities from commercial banks of Saudi Riyals 756.3 million (December 31, 2021: Saudi Riyals 631.3 million) and Saudi Riyals 100.3 million (December 31, 2021: Saudi Riyals 147.8 million) respectively. The unused balance of these facilities as at March 31, 2022 amounted to Saudi Riyals 287.9 million and Saudi Riyals 8.0 million respectively (December 31, 2021: Saudi Riyals 241.9 million and Saudi Riyals 36.7 million). These facilities bear finance costs at market rates, which are generally based on Saudi Inter Bank Offered Rate ("SIBOR"). Short-term facilities are collateralised by promissory notes signed by the borrowing entities of the Group, and by corporate guarantees by Al Dabbagh Group Holding Company ("ADGHC"), and cross and corporate guarantees from the entities of the Group. Long-term facilities are secured by a letter of undertaking to pledge two parcels of land held by ADC. The average interest rates during the three-month period ended March 31, 2022 on these facilities varied between 1.8% - 5.4% per annum (December 31, 2021: 1.7% - 5.3% per annum).

Management assessed that fair value of short-term bank loans is approximately equal to their carrying amounts due to the short-term maturities and interest payable on those borrowings being at current market rates. Fair value of long-term borrowings is approximately equal to their carrying amounts as they are subject to interest at market rates.

**14 Trade payables**

		<b>December 31,</b>
	<b>Note</b>	<b>2021</b>
		<b>(Audited)</b>
		<b>March 31, 2022</b>
		<b>(Unaudited)</b>
Trade payables		190,765,551
Due to related parties	17	3,709,926
		<u>214,233,087</u>
		<u>21,390</u>
		<u><b>214,254,477</b></u>
		<u>194,475,477</u>

**15 Accrued and other liabilities**

		<b>December 31,</b>
		<b>2021</b>
		<b>(Audited)</b>
		<b>March 31, 2022</b>
		<b>(Unaudited)</b>
Accrued employee-related costs		60,252,096
Accrued expenses		54,500,555
Utilities payable		5,127,392
Advances from customers		3,261,691
Other		7,956,117
		<u>65,339,486</u>
		<u>55,174,649</u>
		<u>5,534,986</u>
		<u>3,967,701</u>
		<u>8,131,654</u>
		<u><b>138,148,476</b></u>
		<u>131,097,851</u>

**16 Zakat matters**

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

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

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

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**16 Zakat matters** (continued)

ZATCA has finalized the zakat assessment of ADC for the year 2015 by assessing additional liability of Saudi Riyals 0.2 million which the ADC has paid under protest and recharged to ADGHC as per the undertaking between the Company and ADGHC. During September 2021, ZATCA finalized ADC's zakat assessments for the years 2016 and 2017 by assessing additional liability of Saudi Riyals 0.4 million and Saudi Riyals 0.2 million, respectively which the ADC has paid under protest and recharged to ADGHC as per the undertaking between the Company and ADGHC. No other assessment has yet been issued for ADC.

SFPC has received final zakat assessments for the years 2015 through 2018 with an additional zakat liability of Saudi Riyals 4.1 million. SFPC has filed an appeal with the General Secretariat of Tax Committees ("GSTC") against such assessments and expects these assessments to be set aside in the favour of SFPC. Management of the Group believes that the provision recorded against such assessment in the condensed consolidated interim financial information as at March 31, 2022, is adequate for any potential outflow as a result of finalization of the appeal with GSTC.

DHV has received final zakat assessments for the years 2017 and 2018 with an additional zakat liability of Saudi Riyals 0.5 million and Saudi Riyals 0.2 million, respectively. DHV has filed an appeal with GSTC against such assessments and the Group management expects these assessments to be set aside in the favour of DHV.

The Company has received the final zakat assessment for 2015 with an additional zakat liability of Saudi Riyals 1.1 million. The Company has filed an appeal with GSTC against such assessment and the Group management expects the assessment to be set aside in the favour of the Company. Accordingly, no provision has been recorded in the condensed consolidated interim financial information as at March 31, 2022. Further, the Company has also received the final zakat assessment for 2016 with an additional zakat liability of Saudi Riyals 0.03 million, the Company is in the process of making the payment under protest.

During 2019, the Company regained 100% effective shareholding in ADC, SFPC and DHV and after obtaining the approval of ZATCA, reverted to filing the Group's zakat return on a consolidated basis for the years 2019 and 2020. Final assessments for such years are currently pending with ZATCA.

During the period ended March 31, 2022, the Company requested ZATCA to include GBFFC, a 100% owned subsidiary, in the Group's consolidated zakat return. Subsequent to ZATCA's approval, the Company is in process of filing Group's zakat return on a consolidated basis for the year 2021 including ADC, DHV, SFPC and GBFFC.

**17 Related party transactions and balances**

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

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

<b>Name of related party</b>	<b>Nature of relationship</b>
ADGHC	Ultimate parent
National Scientific Company Limited ("NSCL")	Affiliate
Saed International for Istiqdam Company ("SAED Istiqdam")	Affiliate
Qeemah and Dukan for Groceries Company Limited ("Dukan")	Affiliate
Petromin Corporation ("Petromin")	Affiliate
Advanced Petroleum Services Limited (APSL)	Affiliate

During the three-month periods ended March 31, 2022 and 2021, a number of transactions were carried out in the ordinary course of business with the affiliated companies, which are based on prices and contractual terms that are mutually agreed by management of the Group. The aggregate values of such transactions with affiliated companies are mentioned as follows:

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**17 Related party transactions and balances (continued)**

**17.1 Transactions with key management personnel**

	<u>Three-month period ended</u>	
	<b>March 31, 2022 (Unaudited)</b>	<b>March 31, 2021 (Unaudited)</b>
Remuneration	<b>3,564,243</b>	4,067,159
Provision for employee benefit obligations	<b>351,337</b>	156,291

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

**17.2 Other related party transactions**

	<u>Three-month period ended</u>	
	<b>March 31, 2022 (Unaudited)</b>	<b>March 31, 2021 (Unaudited)</b>
Sales to an affiliate	<b>2,942,274</b>	3,421,822
Payments on behalf of Ultimate parent	<b>573,074</b>	1,880,904
Employee cost paid to an affiliate	<b>432,602</b>	1,156,366
Purchases from affiliates	<b>66,678</b>	438,323
Employee benefit obligations transferred to a related party	-	1,191

**17.3 Related party balances**

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

(i) Due from related parties (Note 10)

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
ADGHC	<b>2,501,737</b>	1,928,663
Dukan	<b>1,994,049</b>	1,899,734
NSCL	<b>102,454</b>	102,454
APSL	<b>32,204</b>	32,204
	<b>4,630,444</b>	3,963,055

(ii) Due to related parties (Note 14)

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
Petromin	<b>21,390</b>	3,709,926



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**18 Revenue**

Three-month period ended March 31, 2022 (Unaudited)	Food and agriculture				Construction of poultry farms	Total
	Kingdom of Saudi Arabia	United Arab Emirates	Bahrain	Other GCC countries	Kingdom of Saudi Arabia	
<b>Revenue from external customers</b>						
<i>Timing of revenue recognition</i>						
At a point in time	367,938,793	28,093,041	22,501,656	13,641,114	-	432,174,604
Over time	-	-	-	-	3,154,681	3,154,681
	<b>367,938,793</b>	<b>28,093,041</b>	<b>22,501,656</b>	<b>13,641,114</b>	<b>3,154,681</b>	<b>435,329,285</b>

Three-month period ended March 31, 2021 (Unaudited)	Food and agriculture				Construction of poultry farms	Total
	Kingdom of Saudi Arabia	United Arab Emirates	Bahrain	Other GCC countries	Kingdom of Saudi Arabia	
<b>Revenue from external customers</b>						
<i>Timing of revenue recognition</i>						
At a point in time	311,715,585	23,640,802	20,744,005	10,046,577	-	366,146,969
Over time	-	-	-	-	2,190,585	2,190,585
	<b>311,715,585</b>	<b>23,640,802</b>	<b>20,744,005</b>	<b>10,046,577</b>	<b>2,190,585</b>	<b>368,337,554</b>

The revenue for the three-month period ended March 31, 2022 from top five customers in the food and agriculture stream represents 13.3% of the Group's revenues (Three-month period ended March 31, 2021: 17.1%).

**19 Cost of sales**

	Note	Three-month period ended	
		March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Materials consumed		227,958,980	172,450,963
Employee related costs		64,075,694	58,802,356
Depreciation on right-of-use assets	7	13,146,258	11,393,823
Transport and travel		10,497,281	10,486,446
Utilities		8,138,879	7,528,762
Depreciation on property, plant and equipment		5,206,445	4,786,888
External processing charges		2,610,780	3,602,133
Repairs and maintenance		2,499,245	2,291,995
Rent		3,877,844	2,291,580
Insurance		632,782	592,601
Amortisation		66,508	54,996
Other		5,551,219	4,733,217
		<b>344,261,915</b>	<b>279,015,760</b>

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**20 Selling and distribution expenses**

	Note	Three-month period ended	
		March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Employee related costs		25,895,765	18,755,411
Transport and travel		8,625,500	8,146,687
Depreciation on right-of-use assets	7	6,740,173	4,010,318
Advertising and sales promotion		5,408,955	3,450,210
Rent		1,241,739	949,047
Depreciation on property, plant and equipment		973,186	596,121
Utilities		536,257	651,764
Repairs and maintenance		280,698	219,948
Insurance		122,464	291,687
Other		6,416,470	5,457,736
		<b>56,241,207</b>	<b>42,528,929</b>

**21 General and administrative expenses**

	Note	Three-month period ended	
		March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Employee related costs		19,876,702	15,895,530
Professional fees		2,041,507	699,767
IT infrastructure cost		763,065	370,104
Transport and travel		597,328	278,513
Rent		519,990	106,881
Utilities		313,793	170,167
Depreciation on right-of-use assets	7	207,803	439,379
Depreciation on property, plant and equipment		121,977	91,500
Amortisation		96,159	82,664
Other		1,922,705	920,433
		<b>26,461,029</b>	<b>19,054,938</b>

**22 Commitments**

**22.1 Commitments**

- The capital expenditure contracted by the Group but not incurred until March 31, 2022 was Saudi Riyals 127.6 million (December 31, 2021: Saudi Riyals 39.5 million).
- The banks issued guarantees on behalf of the Group amounting to Saudi Riyals 3.6 million (December 31, 2021: Saudi Riyals 5.7 million). The Group also has letters of credit and documentary collection in sight issued on its behalf in the normal course of business amounting to Saudi Riyals 257.2 million and Nil, respectively (December 31, 2021: Saudi Riyals 173.6 million and 12.4 million respectively).

**22.2 Short-term leases**

The short-term lease commitments as of March 31, 2022 amount to Saudi Riyals 6.2 million (December 31, 2021: Saudi Riyals 0.6 million).

**TANMIAH FOOD COMPANY**  
**(A Saudi Joint Stock Company)**

**Notes to the condensed consolidated interim financial information for the three-month period ended March 31, 2022 (Unaudited)**

(All amounts in Saudi Riyals unless otherwise stated)

**23 Earnings per share**

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

	<b>Three-month period ended</b>	
	<b>March 31, 2022 (Unaudited)</b>	<b>March 31, 2021 (Unaudited)</b>
Net profit attributable to owners of the Company	<b>1,541,982</b>	18,789,749
Weighted average number of shares	<b>20,000,000</b>	20,000,000
Basic / diluted earnings per share (Saudi Riyals per share)	<b>0.08</b>	0.94

**24 Segment information**

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

	<b>March 31, 2022 (Unaudited)</b>			
	<b>Kingdom of Saudi Arabia</b>	<b>United Arab Emirates</b>	<b>Kingdom of Bahrain</b>	<b>Total</b>
Property, plant and equipment	<b>229,603,724</b>	<b>37,504,745</b>	<b>202,527</b>	<b>267,310,996</b>
Right-of-use assets	<b>255,100,919</b>	<b>18,356,813</b>	<b>1,034,106</b>	<b>274,491,838</b>
Intangible assets	<b>3,438,400</b>	<b>24,954</b>	-	<b>3,463,354</b>
Financial assets at FVOCI	<b>773,983</b>	-	-	<b>773,983</b>

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

See Note 18 for the concentration of customers and revenue generated within Kingdom of Saudi Arabia and outside the Kingdom of Saudi Arabia for the periods ended March 31, 2022 and 2021.

**25 Dividends**

On March 23, 2022, the Board of Directors recommended final dividend for the year ended December 31, 2021, of Saudi Riyals 0.51 per share amounting to Saudi Riyals 10.2 million, which was approved by the shareholders in their meeting held on April 14, 2022.

**26 Approval of financial information**

This condensed consolidated interim financial information for the three-month period ended March 31, 2022 were approved for issuance by the Board of Directors of the Group on Ramadan 19, 1443 (April 20, 2022).