

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED) AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS PERIOD
ENDED 31 MARCH 2025**

TANMLAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND
INDEPENDENT AUDITORS' REVIEW REPORT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

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

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tanmiah Food Company, a Saudi Joint Stock Company (the "Company") and its subsidiaries (together the "Group") as at 31 March 2025, and the related interim condensed consolidated statement of comprehensive income for the three months period then ended and the interim condensed consolidated statements of changes in equity and cash flows for the three months period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.


Scope of review

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

Conclusion

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

Deloitte and Touche & Co
Chartered Accountants



Abdul Rahman S. Al-Suwayegh
License No 461
20 Dhu-al Qa'dah, 1446H
18 May 2025



TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

	Notes	For the three months period ended 31 March	
		2025 SR	2024 SR
Revenue	15	(unaudited) 677,118,791	(unaudited) 581,362,210
Cost of sales		(508,749,737)	(436,898,746)
Gross profit		168,369,054	144,463,464
Selling and distribution expenses		(86,007,353)	(72,253,754)
General and administrative expenses		(41,695,269)	(35,485,456)
Impairment loss on financial assets		(1,050,000)	(1,225,000)
Other income		4,001,609	3,970,719
Operating profit		43,618,041	39,469,973
Finance costs		(18,945,410)	(11,785,234)
Profit before share of result from associate and zakat and income tax		24,672,631	27,684,739
Share in results of an associate		2,093,762	322,522
Profit before zakat and income tax		26,766,393	28,007,261
Zakat and income tax		(3,539,141)	(2,870,226)
PROFIT FOR THE PERIOD		23,227,252	25,137,035
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurements of employee benefit obligations		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		23,227,252	25,137,035
Profit for the period attributable to:			
Owners of the Company		18,894,933	20,955,015
Non-controlling interests		4,332,319	4,182,020
		23,227,252	25,137,035
Total comprehensive income for the period attributable to:			
Owners of the Company		18,894,933	20,955,015
Non-controlling interests		4,332,319	4,182,020
		23,227,252	25,137,035
Earnings per share attributable to owners of the Company:			
Basic and diluted earnings per share	14	0.95	1.05


Chairman of the Board of Directors


Chief Executive Officer


Chief Financial Officer

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

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

		31 March 2025	31 December 2024
	Notes	SR	SR
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	966,716,451	777,219,725
Right-of-use assets	6	618,599,810	589,824,995
Intangible assets		9,456,309	9,102,571
Financial assets at fair value through other comprehensive income		773,983	773,983
Investment in an associate	7	89,426,264	87,332,502
Deferred tax asset	11	2,500,000	2,500,000
Total non-current assets		1,687,472,817	1,466,753,776
Current assets			
Inventories	8	393,550,561	349,869,958
Biological assets	9	158,185,141	195,141,340
Prepayments and other receivables		411,682,648	338,087,957
Contract assets		23,258,193	20,231,254
Trade receivables and other debtors		369,239,379	336,497,990
Cash and cash equivalents		77,704,648	88,906,826
Total current assets		1,433,620,570	1,328,735,325
TOTAL ASSETS		3,121,093,387	2,795,489,101
EQUITY AND LIABILITIES			
Equity			
Share capital	1	200,000,000	200,000,000
Statutory reserve		51,736,614	51,736,614
Other reserve		73,977,280	73,977,280
Retained earnings		375,198,899	356,303,966
Equity attributable to owners of the Company		700,912,793	682,017,860
Non-controlling interests		101,006,825	96,674,506
Total equity		801,919,618	778,692,366
Non-current liabilities			
Employee benefit obligations		115,253,141	111,321,495
Lease liabilities	6	520,711,767	494,607,797
Borrowings	10	574,963,867	333,684,029
Total non-current liabilities		1,210,928,775	939,613,321
Current liabilities			
Borrowings	10	381,823,046	402,648,808
Trade payables, accruals and other liabilities		618,860,175	565,806,342
Lease liabilities	6	84,211,382	88,917,014
Provision for zakat and income tax	11	23,350,391	19,811,250
Total current liabilities		1,108,244,994	1,077,183,414
Total liabilities		2,319,173,769	2,016,796,735
TOTAL EQUITY AND LIABILITIES		3,121,093,387	2,795,489,101


Chairman of the Board of Directors


Chief Executive Officer


Chief Financial Officer

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TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

Balance at 1 January 2025 (audited)

Net profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Balance at 31 March 2025 (unaudited)

Balance at 1 January 2024 (audited)

Net profit for the period

Other comprehensive income for the period

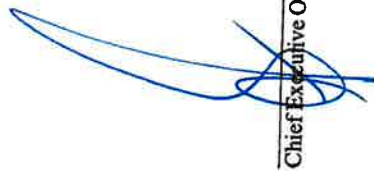
Total comprehensive income for the period

Balance at 31 March 2024 (unaudited)

Share capital	Statutory reserve	Other reserve	Retained earnings	Total shareholders' equity	Non-controlling interest	Total
SR	SR	SR	SR	SR	SR	SR
200,000,000	51,736,614	73,977,280	356,303,966	682,017,860	96,674,506	778,692,366
-	-	-	18,894,933	18,894,933	4,332,319	23,227,252
-	-	-	-	-	-	-
200,000,000	51,736,614	73,977,280	375,198,899	700,912,793	101,006,825	801,919,618
200,000,000	42,154,397	73,977,280	302,692,574	618,824,251	61,450,234	680,274,485
-	-	-	20,955,015	20,955,015	4,182,020	25,137,035
-	-	-	-	-	-	-
-	-	-	20,955,015	20,955,015	4,182,020	25,137,035
200,000,000	42,154,397	73,977,280	323,647,589	639,779,266	65,632,254	705,411,520



Chairman of the Board of Directors



Chief Executive Officer



Chief Financial Officer

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

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

	Note	31 March 2025 SR	31 March 2024 SR
		(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat and income tax		26,766,393	28,007,261
Adjustments for:			
Depreciation on property, plant and equipment	5	14,025,687	10,122,469
Depreciation on right-of-use assets	6	33,968,369	27,851,339
Amortisation of intangible assets		300,112	241,386
Impairment loss on financial assets		1,050,000	1,225,000
Provision for slow-moving inventories	8	902,698	468,110
Net gain on disposal and of property, plant and equipment		(92,756)	(1,274)
Share of results from an associate	7	(2,093,762)	(322,522)
Provision for employee benefit obligations		5,817,333	5,050,422
Government subsidy accrued		(11,307,738)	(7,959,899)
Finance costs		9,265,088	4,033,176
Interest on lease liabilities	6	9,680,322	7,752,058
Gain on termination of lease contracts		(156,170)	-
Write-off of property, plant and equipment		-	348,900
Changes in operating assets and liabilities:			
Inventories		(44,583,301)	120,491
Trade receivables and other debtors		(33,791,389)	(16,519,386)
Biological assets		36,956,199	(11,740,482)
Contract assets		(3,026,939)	(2,298,437)
Prepayments and other receivables		(73,075,840)	(26,073,006)
Government subsidy received		10,788,887	10,216,952
Trade payable, accruals and other liabilities		48,385,180	97,042,666
Cash generated from operations		29,778,373	127,565,224
Employee benefit obligations paid		(1,885,687)	(565,641)
Finance costs paid		(4,596,435)	(670,562)
Net cash generated from operating activities		23,296,251	126,329,021
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases of property, plant and equipment	5	(203,522,439)	(58,408,212)
Payments for additions to intangible assets		(653,850)	-
Proceeds from disposal of property, plant and equipment		92,782	6,055
Net cash used in investing activities		(204,083,507)	(58,402,157)

TANMIAH FOOD COMPANY
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

	Note	31 March 2025 SR (unaudited)	31 March 2024 SR (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments			
Short term borrowings	6	(50,868,998)	(32,748,618)
Proceeds from long-term borrowings		(20,825,762)	(32,488,532)
		<u>241,279,838</u>	<u>45,000,000</u>
Net cash generated from (used in) financing activities		169,585,078	(20,237,150)
Net (decrease) increase in cash and cash equivalents		(11,202,178)	47,689,714
Cash and cash equivalents at the beginning of the period		88,906,826	111,032,670
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		<u>77,704,648</u>	<u>158,722,384</u>

Supplemental non-cash information:

Addition to right-of-use assets and lease liabilities

Note	31 March 2025 SR (unaudited)	31 March 2024 SR (unaudited)
6	<u>62,924,085</u>	<u>56,058,037</u>


Chairman of the Board of Directors


Chief Executive Officer


Chief Financial Officer

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

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

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 King Fahd Rd, Ar Rahmanyah District, Riyadh 12341, 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”), in the Kingdom of Bahrain (“Bahrain”), State of Kuwait (“Kuwait”) and State of Qatar (“Qatar”).

The Group is principally engaged in food and agriculture business which includes 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 31 March 2025 and 31 December 2024, the Company’s share capital of SR 200 million consisted of 20 million issued and fully paid shares of SR 10 each.

The Group’s principal subsidiaries at 31 March 2025 and 31 December 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Subsidiary	Country of incorporation	Effective ownership at 31 March 2025	Effective ownership at 31 December 2024	Principal activities
Agricultural Development Company Limited (“ADC”)	Kingdom of Saudi Arabia	85%	85%	Wholesale trading in poultry products and agricultural produce
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.
Gulf Brand for Fast Foods Company (“GBFFC”)**	Kingdom of Saudi Arabia	100%	100%	Restaurant outlets with related services
Supreme Foods Bahrain W.L.L. (“SFB”) *	Kingdom of Bahrain	85%	85%	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
Tanmiah Restaurants for Fast Food Company (“TRC”)	Kingdom of Saudi Arabia	100%	100%	Restaurants with buffets (cafeterias), fast food activities, activities for serving meals only, etc.
Gulf Brands Restaurants Management Company (“GBRMC”)**	State of Kuwait	100%	100%	Restaurant outlets with related services
Nola Management Company W.L.L (“Nola”)**	Kingdom of Bahrain	100%	100%	Restaurant outlets with related services
Al Tanmiah for Administration of Restaurants (“ATAR”)**	State of Qatar	100%	100%	Dormant company
MHP Desert Hills for Poultry Company Limited (“MDP”) ***	Kingdom of Saudi Arabia	55%	55%	Developing and operating poultry breeding facilities and include the establishment of a greenfield hatchery

* SFB is a wholly owned subsidiary of ADC.

** GBFFC, GBRMC, Nola and ATAR are wholly owned subsidiaries of TRC.

*** MDP is a subsidiary of DHV

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

1. CORPORATE INFORMATION (CONTINUED)

During the period the Company has signed a Memorandum of Understanding (MOU) with Griffith Foods, a global product development and production company specializing in customized food ingredient solutions. The MOU is towards entering into a supply agreement to strengthen product availability and support growth. In addition, the Company will explore establishing a joint venture in Kingdom of Saudi Arabia and enhance halal ingredients production capabilities, including the establishment of a state-of-the-art research and development centre in Kingdom of Saudi Arabia.

2. MATERIAL ACCOUNTING POLICIES

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

Basis of preparation

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

This interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024. IAS 34 states that the interim condensed consolidated financial information is intended to provide an update on the latest complete set of annual financial statements. Hence, IAS 34 requires less disclosure in interim financial information than IFRS requires in annual financial statements.

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

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

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

This interim condensed consolidated financial information is presented in Saudi Riyals (SR), which is the functional currency of all the Group entities except for Supreme Food Bahrain (SFB), Gulf Brands Restaurants Management Company (GBRMC), Nola Management Company W.L.L (Nola) and Al Tanmiah for Administration of Restaurants (ATAR). The functional currency SFB and Nola is Bahraini Dinar, GBRMC is Kuwaiti Dinar and ATAR is Qatari Riyal. The presentation currency of the Group is SR. This interim condensed consolidated financial information has been rounded-off to nearest SR, unless otherwise stated.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

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

New and amended standards adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards, interpretations and amendments as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendment applies for the first time in 2025, but do not have an impact on the interim condensed consolidated financial information of the Group:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability - effective from 1 January 2025.

There has been no material impact on the interim condensed consolidated financial information of the Group upon adoption of the above amended standards. There are no other amendments or interpretations which are effective from 1 January 2025 that have a material effect on the Group's interim condensed consolidated financial information.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Preparation of the Group's interim condensed consolidated 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.

5. PROPERTY, PLANT AND EQUIPMENT

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Net book value at the beginning of the period / year	777,219,725	525,170,688
Additions	203,522,439	297,993,648
Depreciation for the period/ year	(14,025,687)	(44,439,543)
Transfer to intangible asset	-	(1,127,700)
Disposals	(26)	(377,368)
Carrying value at the end of the period/ year	966,716,451	777,219,725

The additions during the three months period ended 31 March 2025 amounting to SR 203.5 million (31 December 2024: SR 297.9 million), mainly represent additions to capital work-in-progress for construction of feed mill, expansion of the current capacity of the processing plant, purchase of processing plant, hatchery expansion and restaurant expansion.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

6. LEASES

The Group leases various accommodations, warehouses, buildings, poultry processing plants, farms, vehicles and offices. Rental contracts are typically made for fixed periods of 2 to 18 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Right-of-use assets:

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Net book value at the beginning of the period / year	589,824,995	422,692,509
Additions	62,924,085	292,224,770
Depreciation for the period/ year	(33,968,369)	(125,092,284)
Write off	(180,901)	-
Carrying value at the end of the period/ year	618,599,810	589,824,995

Lease Liabilities:

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
At beginning of period / year	583,524,811	410,442,724
Additions	62,924,085	292,224,770
Write off	(337,071)	-
Lease payments	(50,868,998)	(156,709,265)
	595,242,827	545,958,229
Interest	9,680,322	37,566,582
Carrying value at the end of the period/ year	604,923,149	583,524,811

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

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Lease liabilities		
Current	84,211,382	88,917,014
Non-current	520,711,767	494,607,797
	604,923,149	583,524,811

TANMIAH FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

7. INVESTMENT IN AN ASSOCIATE

The Group maintains a 40% ownership in Supreme Foods Processing Company ("SFPC"). The Group by virtue of its contractual right to appoint two out of the five directors to the board of directors has been assessed as significant influence in SFPC and classified it as an associate.

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Opening balance	87,332,502	80,866,666
Share in income for the period/ year	2,093,762	3,244,625
Share in other comprehensive loss for the period/ year	-	(338,788)
Zakat reimbursement	-	3,559,999
Closing balance	89,426,264	87,332,502

8. INVENTORIES

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Raw materials	181,247,449	164,839,546
Poultry meats and other food items	89,879,899	63,518,922
Animal health products	59,642,312	63,972,680
Packaging materials	16,669,620	15,162,497
Spare parts	26,572,399	25,262,090
Equipment for sale	14,940,638	14,722,993
Others	21,749,293	18,639,581
	410,701,610	366,118,309
Less: provision for slow-moving inventories	(17,151,049)	(16,248,351)
	393,550,561	349,869,958

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

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Opening balance	16,248,351	14,178,645
Provision for the year	902,698	6,163,509
Write-offs	-	(4,093,803)
	17,151,049	16,248,351

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

9. BIOLOGICAL ASSETS

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Breeder birds – rearing & production	89,858,391	115,524,985
Broiler birds	40,680,265	36,721,795
Hatchery eggs	27,646,485	42,894,560
	<u>158,185,141</u>	<u>195,141,340</u>

As at 31 March 2025, the Group had 18.8 million broiler birds (31 December 2024: 18 million broiler birds). Further, 41.2 million broiler birds were slaughtered during the period ended 31 March 2025 (period ended 31 March 2024: 39 million broiler birds were slaughtered).

As at 31 March 2025 the Group had 2.46 million breeder birds and 19.8 million hatchery eggs (31 December 2024: 2.4 million breeder birds and 30.5 million hatchery eggs).

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

10. BORROWINGS

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
<i>Non-current</i>		
Long-term bank Islamic loans	591,592,438	350,312,600
Less: Current portion of long-term Murabaha bank loan	(16,628,571)	(16,628,571)
	574,963,867	333,684,029
<i>Current</i>		
Short-term bank Islamic loans	365,194,475	386,020,237
Current portion of long-term Murabaha bank loan	16,628,571	16,628,571
	381,823,046	402,648,808

The Group has short-term Islamic loan facilities from commercial banks of SR 1,284 million (31 December 2024: SR 1,276 million). The unused balance of these facilities as at 31 March 2025 amounted to SR 702 million (31 December 2024: SR 677 million). These facilities bear finance costs at market rates, which are generally based on Saudi Arabian Inter Bank Offered Rate ("SAIBOR") and Secured Overnight Financing Rate ("SOFR"). Short-term Islamic facilities are collateralised by promissory notes signed by the borrowing entities of the Group and corporate guarantees from the Company to its subsidiaries. The short-term Islamic loans contain certain financial covenants to be complied with during the term of the loan and as at 31 March 2025 the Group companies are in compliance with the financial covenants.

In 2022, the Group obtained a long-term Murabaha facility of EURO 48 million (SR 188 million) through its subsidiary for the purpose of building a new plant. The loan carries interest charge at EURIBOR plus 1.75% and the repayment in semi-annual equal instalments which will start from May 2025 over a period of seven years. As at 31 March 2025 the Group has drawn EURO 30 million (SR 119.3 million) (31 December 2024: EURO 30 million (SR 119.3 million)) of the total facility amount. The Murabaha loan agreement contains certain financial covenants to be complied with during the term of the loan and as at 31 March 2025 the Group companies are in compliance with the financial covenants.

In 2023, the Group obtained a long-term Tawarroq facility of SR 450 million from a commercial bank to support the capital expenditures to be incurred in the subsidiaries. The loan carries profit mark-up of SAIBOR plus 1.5% and the repayment in ten semi-annual equal instalments of SR 45 million each which will start after two years from the drawdown date. As at 31 March 2025 the Group has drawn SR 285.9 million (31 December 2024: SR 217 million) from the said facility. This facility contains certain financial covenants to be complied with during the term of the loan and as at 31 March 2025 the Group companies are in compliance with the financial covenants.

In 2024, the Group obtained a long-term Tawarooq facility of SR 350 million from a commercial bank in the Kingdom of Saudi Arabia to support the capital expenditures to be incurred in the subsidiaries. The loans carry profit mark-up of SAIBOR plus 1.25% and the repayment in twenty quarterly instalments which will start after two years from the drawdown date. As at 31 March 2025 the Group has drawn SR 177 million (31 December 2024: SR 14 million) from the said facility. This facility contains certain financial covenants to be complied with during the term of the loan and as at 31 March 2025 the Group companies are in compliance with the financial covenants.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

10. BORROWINGS (CONTINUED)

In 2024, the Group obtained a long-term Murabaha facility of USD 25 million (SR 93.75 million) from a commercial bank in the Kingdom of Bahrain to support the capital expenditures. The loans carry profit mark-up of SOFR plus 2.25% and the repayment in twenty quarterly instalments which will start after two years from the drawdown date. As at 31 March 2025 the Group has drawn USD 2.5 million (SR 9.4 million) from the said facility. This facility contains certain financial covenants to be complied with during the term of the loan and as at 31 March 2025 the Group companies are in compliance with the financial covenants.

The average interest rates during the three-months period ended 31 March 2025 on these facilities varied between 4.4% to 8.1% per annum (31 December 2024: 4.9% to 8.8 % per annum).

11. ZAKAT AND INCOME TAX

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

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Opening balance	17,857,296	8,222,370
Provision for the period/ year	2,266,033	15,282,902
Payment	-	(5,647,976)
Closing balance	20,123,329	17,857,296

Movement in provision for income tax

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Opening balance	1,953,954	3,119,751
Provision for the period/ year	1,273,108	4,635,337
Payment	-	(5,801,134)
Closing balance	3,227,062	1,953,954
Zakat and income tax payable	23,350,391	19,811,250

Deferred tax

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Deferred tax asset	2,500,000	2,500,000

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(CONTINUED)
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11. ZAKAT AND INCOME TAX (CONTINUED)

Status of final assessments

In 2019, Al Dabbagh Group Holding Company ("ADGHC"), the ultimate parent, had given a letter of undertaking whereby all liabilities related to additional zakat assessment up to the date of the Company being listed in Saudi Stock Exchange (Tadawul) which is on August 4, 2021 will be reimbursed to the Company by ADGHC.

In 2019, the Company obtained the approval from the ZATCA to file consolidated zakat return for the Company and its subsidiaries ADC, SFPC and DHV. The Company has finalised its zakat assessment with the ZATCA up to 2010. The Company has filed its consolidated zakat returns upto 2021 and filed its unconsolidated zakat return for the year 2022 and onwards as its subsidiaries are not 100% owned. Various assessments with additional zakat claimed by the ZATCA have been received by the Company and its subsidiaries for the years 2015 to 2018, have either been objected or paid under protest by the Company and its subsidiaries. The total amount paid under protest amounted SR 0.90 million. In 2024, ZATCA revised the additional zakat assessment of SFPC to SR 3.6 million which has been settled by SFPC. As per the undertaking from ADGHC, the Company recharged the additional liability to ADGHC. Final assessment for the Company and its subsidiaries for the years 2019 through 2023 have not yet been raised by the ZATCA.

12. RELATED PARTY TRANSACTIONS AND BALANCES

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

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

<u>Name of related party</u>	<u>Nature of relationship</u>
ADGHC	Ultimate parent
National Scientific Company Limited ("NSCL")	Affiliate
Saed International for Istiqdam Company ("SAED")	Affiliate
Aldukan Limited Company ("Dukan")	Affiliate
Petromin Corporation ("Petromin")	Affiliate
Advanced Petroleum Services Limited ("APSL")	Affiliate
National Fuel Limited Company ("NFLC")	Affiliate
Petrolube Oil Company ("POC")	Affiliate
National Transportation Solutions Company ("NTSC")	Affiliate
Supreme Food Processing Company (SFPC) and its subsidiary Perfect Food Factory (PFF)	Associate
Gulf General Cooperative Insurance Company ("GGCI").	Affiliate

During the three-months periods ended 31 March 2025 and 2024, 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(CONTINUED)
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12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The aggregate values of such transactions with affiliated companies are mentioned as follows:

Related party transactions

	Three-months period ended	
	31 March 2025 SR (Unaudited)	31 March 2024 SR (Unaudited)
Sales to affiliates	(5,077,750)	(3,360,420)
Sales to an associate	(3,832,466)	(3,904,344)
Payments / adjustments on behalf of ultimate parent	124,832	183,357
Rent cost to affiliates	1,310,100	2,050,000
Employee cost paid for affiliates	67,456	49,799
Purchases from an associate	188,725	1,135,389
Management fees charged to an associate	3,205,722	3,205,722
Others	172,319	152,812

Transactions with key management personnel

	Three-months period ended	
	31 March 2025 SR (Unaudited)	31 March 2024 SR (Unaudited)
Remuneration	12,130,968	3,855,135
Provision for employee benefit obligations	323,399	270,396
	12,454,367	4,125,531

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

Related party balances

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

Due from related parties

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
SFPC	43,326,197	46,831,098
Dukan	9,237,008	7,397,069
ADGHC	8,080,576	7,955,744
PFF	1,085,522	881,295
NSCL	100,200	100,200
APSL	32,204	32,204
	61,861,707	63,197,610

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Due to related parties

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
NTSC	489,460	216,380
Petromin	27,560	28,310
SAED	-	4,550
	517,020	249,240

13. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies

At 31 March the Group had the following commitments:

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Capital commitments	209,579,675	251,934,511

At 31 March the Group had the following contingencies:

	31 March 2025 SR (Unaudited)	31 December 2024 SR (Audited)
Letters of credit	217,304,491	212,571,232
Letters of guarantee	279,230	310,480

Short-term leases

The short-term lease commitments as of 31 March 2025 amount to SR 0.6 million (31 December 2024: SR 0.3 million).

14. EARNINGS PER SHARE

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

	Three-months period ended	
	31 March 2025 SR (Unaudited)	31 March 2024 SR (Unaudited)
Net profit attributable to owners of the Company	18,894,933	20,955,015
Weighted average number of shares	20,000,000	20,000,000
Basic and diluted earnings per share (SR per share)	0.95	1.05

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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15. SEGMENT INFORMATION

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

However, the Group operates in the following geographical areas:

Three-months period ended 31 March 2025 (Unaudited)	Poultry, food and agriculture			
	Kingdom of Saudi Arabia SR	Bahrain SR	Other GCC countries SR	Total SR
Revenue from external customers				
<i>Timing of revenue recognition</i>				
At a point in time	624,465,018	33,042,341	14,135,446	671,642,805
Over time	5,475,986	-	-	5,475,986
	629,941,004	33,042,341	14,135,446	677,118,791

Three-months period ended 31 March 2024 (Unaudited)	Poultry, food and agriculture			
	Kingdom of Saudi Arabia SR	Bahrain SR	Other GCC countries SR	Total SR
Revenue from external customers				
<i>Timing of revenue recognition</i>				
At a point in time	540,676,755	30,348,415	-	571,025,170
Over time	10,337,040	-	-	10,337,040
	551,013,795	30,348,415	-	581,362,210

	31 March 2025 (Unaudited)			
	Kingdom of Saudi Arabia SR	Kingdom of Bahrain SR	State of Kuwait SR	Total SR
Property, plant and equipment	960,679,188	3,889,978	2,147,285	966,716,451
Right-of-use assets	615,663,573	2,936,237	-	618,599,810
Intangible assets	9,310,481	145,828	-	9,456,309
Financial assets at FVOCI	773,983	-	-	773,983

	31 December 2024 (Audited)			
	Kingdom of Saudi Arabia SR	Kingdom of Bahrain SR	State of Kuwait SR	Total SR
Property, plant and equipment	771,937,775	3,406,752	1,875,198	777,219,725
Right-of-use assets	587,167,343	2,657,652	-	589,824,995
Intangible assets	8,952,449	150,122	-	9,102,571
Financial assets at FVOCI	773,983	-	-	773,983

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

16. SUBSEQUENT EVENTS

There were no events subsequent to 31 March 2025 and occurring before the date of the approval of the interim condensed consolidated financial information that are expected to have a significant impact on this interim condensed consolidated financial information.

17. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This interim condensed consolidated financial information for the three-month period ended 31 March 2025 were approved for issuance by the Board of Directors of the Group on 15 May 2025.