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**SAUDI FISHERIES COMPANY  
(A Saudi Joint Stock Company)  
CONDENSED INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT  
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2023**

**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT**  
**FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2023**

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

**TO: THE SHAREHOLDERS OF  
SAUDI FISHERIES COMPANY  
(A Saudi Joint Stock Company)**

**Introduction:**

We have reviewed the accompanying condensed interim statement of financial position of **SAUDI FISHERIES COMPANY** (the "Company") as at 30 September 2023, and condensed interim statement of profit or loss and other comprehensive income for the three month and nine month periods ended 30 September 2023 the related condensed interim statements changes in shareholders' equity and cash flows for the nine month periods then ended, and a summary of significant accounting policies and other explanatory notes. management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements 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" endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Qualified conclusion:**

1. As indicated in Note No. (6) and Note No. (20) of the accompanying condensed interim financial statements, which indicate that the company has changed during the period ended 30 June 2023 the accounting policy related to the measurement of investment properties from the cost model to the fair value model. As a result, investment properties appeared in the condensed interim financial position statement as at 30 September 2023 amounting to SR 44.5 million (31 December 2022: SR 31.9 million) (1 January 2022: SR 26.7 million), and the change in fair value appeared in the statement of financial position. Profit or loss and other comprehensive income for the nine-month periods ended 30 September 2023 amounted to SR 12.6 million (2022: SR 16.2 million). We were not able to obtain sufficient appropriate evidence and complete our review of the fair value of the investment properties as at 30 September 2023, 31 December 2022 and 1 January 2022, and the change in fair value for the three and nine-month periods ended 30 September 2023 and 30 September 2022. Accordingly, we were unable to determine whether any adjustments to these amounts are necessary.
2. As indicated in Note No. (7) of the accompanying condensed interim financial statements, which indicates the inability of the company's management to reach the fair value of the fish at 31 December 2022 due to the lack of appropriate tools for the inventory process, and accordingly it was shown at a cost of SR 20.7 million as shown on that date. This constitutes a departure from the requirements of the financial reporting framework. We were unable to access relevant financial information regarding the fair value of fish in the condensed interim statement of financial position as at 31 December 2022 and the change in fair value of fish in the statement of profit or loss and other comprehensive income for the three and nine-month periods ended 30 September 2023 and 30 September 2022. Accordingly, we have not been able to implement the actions we deem necessary.

**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**  
(Continued)  
**SAUDI FISHERIES COMPANY**  
(A Saudi Joint Stock Company)

**Basis of qualified conclusion**

Based on our review, with the exception of the matter stipulated in the previous paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia.

**Material Uncertainties Related to Going Concern**

We draw attention to Note (2.5) to the accompanying condensed interim financial statements, which states that the Company has an accumulated loss as of 30 September 2023 amounting to SR 211.5 million representing 52.9% of the share capital, in addition to net operating cash outflows of SR 36 million and a gross loss of SR 18.1 million for the period ended 30 September 2023. These conditions or events indicate the existence of a material uncertainty, which may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion has not been modified in respect of this matter.

**Other Matter:**

The condensed interim financial statements for the company for the period ended 31 December 2022 were reviewed by another auditor who expressed a qualified opinion on those financial statements on 14 Ramadan 1444H (corresponding 05 April 2022). Also, the condensed interim financial statements for the company for the nine month periods ended 30 September 2022 were reviewed by another auditor who expressed a unqualified conclusion on those condensed interim financial statements on 22 Rabi Al-Thani 1444H (corresponding 16 November 2023).



**AlAzem, AlSudairy, AlShaikh & Partners**  
**For Professional Consulting**



**Abdullah M. AlAzem**  
License No. 335


25 Rabi' Al-Thani 1445H (corresponding to 9 November 2023)  
Riyadh, Kingdom of Saudi Arabia



**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited) (Restated)	01 January 2022 (Audited) (Restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant, and equipment	5	116,513,272	123,117,745	106,021,385
Capital work in progress		33,934,249	32,699,617	57,228,686
Investment properties	6	44,461,839	31,850,909	26,683,805
Right-of-use assets		14,502,266	15,647,412	7,171,453
Investments carried at amortized cost	9	45,439,332	64,509,990	95,084,892
<b>Total non-current assets</b>		<b>254,850,958</b>	<b>267,825,673</b>	<b>292,190,221</b>
<b>Current assets</b>				
Inventories		15,742,446	22,802,894	22,183,419
Biological assets	7	10,701,082	20,664,638	21,860,518
Trade receivables		6,679,099	3,414,657	5,051,454
Prepayments and other receivables	8	19,482,013	8,585,885	14,683,409
Investments carried at FVTPL		33,545	33,545	33,545
Investments carried at amortized cost	9	6,000,000	11,099,000	-
Cash and bank balances		720,825	1,853,173	5,332,894
<b>Total current assets</b>		<b>59,359,010</b>	<b>68,453,792</b>	<b>69,145,239</b>
<b>TOTAL ASSETS</b>		<b>314,209,968</b>	<b>336,279,465</b>	<b>361,335,460</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	1	400,000,000	400,000,000	400,000,000
Accumulated losses		(211,544,481)	(172,214,038)	(108,589,286)
Actuarial Reserve		385,947	385,947	(103,627)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>188,841,466</b>	<b>228,171,909</b>	<b>291,307,087</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term borrowings – non-current portion	10.2	31,885,840	21,885,840	3,304,320
Employees' post-employment benefits		5,233,855	5,838,149	6,935,471
Lease liabilities		11,448,417	13,321,836	4,632,324
<b>Total non-current liabilities</b>		<b>48,568,112</b>	<b>41,045,825</b>	<b>14,872,115</b>
<b>Current liabilities</b>				
Long-term borrowings - current portion	10.1	2,487,014	2,331,570	1,418,480
Short-term borrowings	10.2	13,794,472	10,073,467	-
Trade and other payables		28,452,573	29,206,821	30,142,119
Shareholder's compensation to priority right shares		13,414,275	13,414,275	13,424,457
Lease liabilities – current portion		4,663,777	4,176,491	2,599,184
Provision for zakat	12	13,988,279	7,859,107	7,572,018
<b>Total current liabilities</b>		<b>76,800,390</b>	<b>67,061,731</b>	<b>55,156,258</b>
<b>TOTAL LIABILITIES</b>		<b>125,368,502</b>	<b>108,107,556</b>	<b>70,028,373</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>314,209,968</b>	<b>336,279,465</b>	<b>361,335,460</b>

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Chairman of the Board of Directors

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Chief Executive Officer

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Chief Financial Officer

The accompanying notes 1 to 23 form part of these condensed interim financial statements.

**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

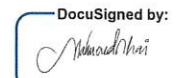
	Note	For the three-month period ended 30 September		For the nine-months period ended 30 September	
		2023 (Unaudited)	2022 (Unaudited) (Restated)	2023 (Unaudited)	2022 (Unaudited) (Restated)
Revenue		15,109,895	9,806,683	42,668,867	39,064,675
Cost of revenue		(25,779,462)	(22,082,838)	(51,784,987)	(54,772,558)
Loss on fair value of biological asset		(8,984,159)	(3,723,456)	(8,984,159)	(3,258,924)
<b>Gross loss for the period</b>		<b>(19,653,726)</b>	<b>(15,999,611)</b>	<b>(18,100,279)</b>	<b>(18,966,807)</b>
Selling and distribution expenses		(4,858,034)	(5,727,955)	(18,329,243)	(16,683,990)
General and administrative expenses		(2,677,949)	(5,059,733)	(12,321,902)	(14,501,784)
Expected credit loss		(708,147)	-	92,438	(1,099,329)
Provision for impairment on Inventory		(6,935,960)	-	(9,719,700)	-
Net Fair Value Gain on Investment Properties	6	-	-	12,610,930	16,167,701
Other revenue	14	1,878,418	929,518	14,544,650	3,150,717
<b>Operating loss</b>		<b>(32,955,398)</b>	<b>(25,857,781)</b>	<b>(31,223,106)</b>	<b>(31,933,492)</b>
Finance revenue		226,503	317,956	2,165,393	775,411
Finance cost	15	(1,053,384)	(239,211)	(2,525,214)	(398,343)
<b>Loss before zakat</b>		<b>(33,782,279)</b>	<b>(25,779,036)</b>	<b>(31,582,927)</b>	<b>(31,556,424)</b>
Zakat	12	(600,000)	(600,000)	(7,747,516)	(2,194,111)
<b>Net loss for the period</b>		<b>(34,382,279)</b>	<b>(26,379,036)</b>	<b>(39,330,443)</b>	<b>(33,750,535)</b>
<b>Other comprehensive loss:</b>					
<b>Total comprehensive loss</b>		<b>(34,382,279)</b>	<b>(26,379,036)</b>	<b>(39,330,443)</b>	<b>(33,750,535)</b>
<b>Basic and diluted loss per share</b>	15	<b>(0.86)</b>	<b>(0.66)</b>	<b>(0.98)</b>	<b>(0.84)</b>

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Chairman of the Board of Directors

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Chief Executive Officer

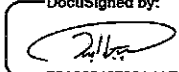
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Chief Financial Officer


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**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

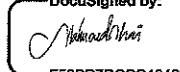
<u>For the nine-month period ended</u> <u>30 September 2022</u>	<u>Note</u>	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Actuarial reserve</u>	<u>Total</u>
Balance as at 1 January 2022 (Audited)		400,000,000	(128,627,297)	(103,627)	271,269,076
Impact of restatement due to the change in the accounting policy	20	-	20,038,011	-	20,038,011
<b>Balance as at 1 January 2022 (Audited) (Restated)</b>		<b>400,000,000</b>	<b>(108,589,286)</b>	<b>(103,627)</b>	<b>291,307,087</b>
Total comprehensive loss		-	(33,750,535)	-	(33,750,535)
<b>Balance as at 30 September 2022 (Unaudited) (Restated)</b>		<b>400,000,000</b>	<b>(142,339,821)</b>	<b>(103,627)</b>	<b>257,556,552</b>
<u>For the nine-month period ended</u> <u>30 September 2023</u>					
Balance as at 1 January 2023 (Audited)		400,000,000	(197,419,153)	385,947	202,966,794
Impact of restatement due to the change in the accounting policy	20	-	25,205,115	-	25,205,115
<b>Balance as at 1 January 2023 (Audited) (Restated)</b>		<b>400,000,000</b>	<b>(172,214,038)</b>	<b>385,947</b>	<b>228,171,909</b>
Total comprehensive loss		-	(39,330,443)	-	(39,330,443)
<b>Balance as at 30 September 2023 (Unaudited)</b>		<b>400,000,000</b>	<b>(211,544,481)</b>	<b>385,947</b>	<b>188,841,466</b>

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 Directors

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Chief Executive Officer

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Chief Financial Officer

The accompanying notes 1 to 23 form part of these condensed interim financial statements.



**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	30 September 2023	30 September 2022
	(Unaudited)	(Unaudited) (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss before zakat	(31,582,927)	(31,556,424)
<b>Adjustments for non-cash items</b>		
Depreciation of property, plant and equipment	7,236,229	6,955,778
Depreciation of right-of-use assets	1,258,983	1,590,990
Provision for employees' post-employment benefits	955,632	1,633,877
Gain on fair valuation of biological asset	8,984,159	3,258,924
Provision for impairment on inventory	13,669,897	1,968,150
(Reversed) / Allowance for expected credit losses	(92,438)	1,099,329
Net fair value gain on investments properties	(12,610,930)	(16,167,701)
Income from investment carried at amortized cost	(2,165,393)	-
Gain from property, plant and equipment sale	(569,565)	-
Finance cost	2,525,214	398,343
<b>Movement in working capital</b>		
Inventories	(6,609,449)	(6,034,359)
Biological assets	979,397	4,062,685
Trade receivables	(3,172,004)	59,472
Prepayments and other receivables	(10,896,128)	4,956,413
Trade and other payables	(754,248)	(6,179,196)
<b>Cash used in operations</b>	<b>(32,843,571)</b>	<b>(33,953,719)</b>
Zakat paid	(1,618,344)	(1,428,126)
Employees' post-employment benefits paid	(1,559,926)	(1,483,386)
<b>Net cash used in operating activities</b>	<b>(36,021,841)</b>	<b>(36,865,231)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(631,756)	(2,223,828)
Proceed of property, plant and equipment sale	569,565	-
Additions to capital work in progress	(1,234,632)	(557,454)
Redemption of investments carried at amortized cost	26,335,051	39,000,000
<b>Net cash provided from investing activities</b>	<b>25,038,228</b>	<b>36,218,718</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term loans change	3,721,005	10,000,000
Long-term borrowings change	10,155,444	20,000,000
Lease liabilities paid	(1,499,970)	(1,098,740)
Finance cost paid	(2,525,214)	-
Compensation of creditors for subscription to priority rights shares	-	(5,902)
<b>Net cash provided from financing activities</b>	<b>9,851,265</b>	<b>28,895,358</b>
<b>Net change in cash and cash equivalents during the period</b>	<b>(1,132,348)</b>	<b>28,248,845</b>
Cash and cash equivalents at the beginning of the period	1,853,173	5,332,894
<b>Cash and cash equivalents at the end of the period</b>	<b>720,825</b>	<b>33,581,739</b>
<b>Non-cash transactions</b>		
Transfer from biological assets to inventory	13,894,224	-
Write off the provision for impairment of financial assets	1,150,000	-

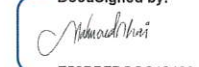
Chairman of the Board of  
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Chief Financial Officer

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**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**1. ACTIVITIES**

The Saudi Fisheries Company, (a Saudi Joint Stock Company, was established in accordance to the provisions of the Companies Law issued by the Royal Decree No. M / 6 dated 22 Rabi Al-Awwal 1385H and its amendments, and in accordance with Ministerial Resolution No. 67 of 30 Rabi Al-Thani 1400 H after being licensed under Ministerial Order No. 10 Ramadan 1398 H, which included establishing a fishing Company (a joint stock Company) in which the government participates with 39.99% of the capital, and Ministerial Resolution No. (35) dated 3 Safar 1399 H, which includes the formation of the first board of directors for the Company. The Company's capital amounting to SAR 400,000,000 from 40,000,000 shares, each valued at SAR 10.

The company engages in marine fishing, marine fishing in international waters, marine life fishing (for the investor), marine aquaculture in marine waters, shrimp farming in the seas, wholesale sale of fish and aquaculture, retail sale of fish and other seafood and its products. Under license from the Ministry of Environment, Water and Agriculture No. 7090184811 dated 25/10/1444H corresponding to 16/06/2020.

The Company is registered in the Kingdom of Saudi Arabia ("KSA") and its head office is located in Riyadh under Commercial Registration No. 1010042732 and unified number 7000677091 dated 20 Rabi Al-Awwal 1402H corresponding to 16 January 1982.

The accompanying condensed interim financial statements include the Company's branches as follows:

Location	Commercial Registration No	Date
Jizan	5900001712	22 Dhul Hijjah 1401 H
Jizan	5900129772	16 Muharram 1443 H
Onaizah	1128184612	14 Saffar 1442 H
Dammam	2050145614	21 Shawal 1442 H
Jeddah	4030041385	13 Rabi Al-Awwal 1404 H
Rijal Alma'a- Al-Huraidah	5861023704	18 Rabi Al-Awwal 1424 H
Dammam	205090531	7 Jumada al Ula 1401 H

**2. BASIS OF PREPARATION**

**2.1. Statement of compliance**

These Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Company's last annual Financial Statements as at and for the year ended 31 December 2022.

These financial statements do not include all of the information required for a complete set of Financial Statements, however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual Financial Statements.

The results for the nine-month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

**2.2. Basis of measurement**

The condensed interim financial information has been prepared on a historical cost basis using the accrual basis of accounting and the going concern concept except for:

- Derivative financial instruments measured at fair value.
- Derivative financial instruments measured at amortized cost.
- Investment's property.
- Biological assets.
- Employee's benefits obligations, recognition of employee benefit obligations that are recognized at the present value of future liabilities using the expected credit unit method.

**2.3. Functional and presentation currency**

These financial statements have been presented in Saudi Riyals (SAR) which is the Company's functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Saudi Riyal, unless otherwise mentioned.

**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

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

**2.4. Significant Accounting Judgements, Estimates, and Assumptions**

In preparing these interim condensed financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements except investments property.

**2.5. Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to manage liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions.

The Company has a net operating cash outflow of SAR 36 million and a total loss of SAR 39.3 million for the period ended 30 September 2023, indicating uncertainty regarding the Company's ability to manage liquidity, in addition the Company reported accumulated losses as of 30 September 2023 amounting to SR 211.5 million (31 December 2022: SR 172.2 million) representing 52.9% (December 31, 2022: 43.1%) of the share capital which indicates that a material uncertainty exists. The Company has implemented various measures to enhance its business model and address the uncertainties regarding to Going concern. Management has taken several strategic steps to increase its trade business, improve operational efficiency, and ensure the Company's sustainability.

Key initiatives undertaken by the Company include:

**Strategic Partnership:** The Company entered into a significant agreement with National Aquaculture Group (Naqua), a leading player in the Kingdom seafood industry. This partnership will aid in expanding the Company's trade business and create new market opportunities. Regular monitoring and evaluation of the partnership's performance will enable the Company to make necessary adjustments and leverage the full potential of this significant agreement. This commitment ensures that the partnership is mutually beneficial for both parties and that it is aligned with the Company's long-term strategic goals.

**Importing and Supply Deals:** The Company has pursued and successfully concluded deals for importing and supplying various Seafood goods, which will enhance its product portfolio and contribute to its overall financial performance. By importing a wider range of seafood goods, the company would be positioned to offer a more diverse array of products to its customers. This expanded product variety would expect to resonate with a broader customer base, catering to a wider range of tastes and preferences. In addition, the company's new importing and supply deals will help to reduce its reliance on a single supplier or market. This will make the company's supply chain more resilient and less vulnerable to disruptions. As a result, the company anticipates a significant boost in sales and an improved market position.

**Farm Productivity and Cost Management:** The Company has taken initiatives to improve the productivity of its farms by adopting farming techniques and implementing stringent cost management policies to optimize costs and increase efficiency.

**Chain of Stores Upgrades:** The Company's management has invested resources in upgrading and modernizing its chain of stores, which will help attract more customers and offer a better shopping experience, ultimately leading to increased revenues. Furthermore, the company is actively striving to enhance profitability on a per-store basis, with a particular focus on those stores that hold strategic importance.

In light of the above, management is satisfied that the company has the necessary financial resources and support to meet its obligations and are confident on its ability to continue its operations as a going concern. This confidence is rooted in the company's sound financial position, access to financial resources, support from stakeholders, and a proven track record of operational resilience. As a result, the company is well-positioned to thrive and grow in the foreseeable future.

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**Net realizable value estimate of shrimp stock**

During the period, the Company while determining the estimate of the NRV has considered the ban on shrimp imports from India imposed by the Kingdom of Saudi Arabia (KSA) that has significantly affected the supply conditions in the market. This ban has led to changes in pricing due to the elasticity of demand for shrimps. Recognizing the economic implications, management has diligently assessed the situation and identified an opportunity to capitalize on the favourable pricing conditions resulting from the ban. Accordingly, by leveraging the economic benefits arising from the ban, the Company aims to optimize its financial position while ensuring compliance with International Financial Reporting Standards (IFRS). The Company has taken the necessary measures to estimate the net realizable value (NRV) of shrimp inventory, factoring in the potential increase in market prices upon imposition of the ban. Continuous monitoring and re-evaluation of the changing dynamics in the market will be captured by the Company on periodic basis to accurately reflect the true economic benefit derived from its shrimp inventory.

**3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

Except as noted below, the accounting policies applied to these condensed interim financial statements are the same as those applied to the latest annual financial statements for the year ended December 31, 2022.

During the period ended September 30, 2023, the company applied the fair value model for subsequent measurement of its investment properties under International Accounting Standard 40, reflecting the most relevant information, taking into consideration volatility and changes in the fair value of investment properties, which include land. The change in accounting policy was applied retrospectively, as required by International Accounting Standard 8. Consequently, comparative information presented as of December 31, 2022, and January 1, 2022 (the nearest period presented) has been adjusted. The details of the changes in accounting policy are disclosed as follows:

Previously, the company measured investment properties at cost after initial recognition, reduced by any accumulated depreciation (if applicable) and any impairment. Land was not subject to depreciation. Due to the change in accounting policy, investment properties will now be measured at fair value, and any changes in fair value will be recognized in profit or loss. In the case of properties under construction (if applicable), where fair value cannot be reliably measured, they will be measured at cost minus any impairment until fair value becomes reliably measurable or upon substantial completion of construction (whichever is closer). The measurement of fair value for investment properties includes unobservable inputs and key assumptions for fair values.

**4. NEW AMENDED STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE:**

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2023 and the details of the same has been explained in annual financial statements for the period ended 31 December 2022, but they do not have a material effect on the Company's interim condensed financial statements.

**5. PROPERTY, PLANT AND EQUIPMENT**

During the nine-month period ending September 30, 2023, the Company purchased property, plant and equipment amounting to SAR 631,756 (December 31, 2022: SAR 28,918,215).

During the nine-month period ending September 30, 2023, the Company disposed of property, plant and equipment with a carrying value of zero SAR (December 31, 2022: SAR 691,317) which resulted in gains/(losses) from the sale of property, plant and equipment for the nine-month period on September 30, 2023 amounting to 569,565 SAR (December 31, 2022: (691,317 SAR)).

During the nine-month period ending September 30, 2023, depreciation expense amounted to 7,236,229 SAR (6,955,778 SAR for the nine months ending September 30, 2022).

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**6. INVESTMENT PROPERTIES**

The following is a summary of the movement of investment properties as of:

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Fair value at the beginning of the period/year	31,850,909	26,683,805
Net fair value gain on investments properties	12,610,930	5,167,104
Fair value at the end of the period/year	<u>44,461,839</u>	<u>31,850,909</u>

During the current period, the company's management changed the accounting policy related to measuring investment properties from the cost model to the fair value model. As a result, the company's management has amended the comparative figures presented. (Note 20).

As at the condensed interim financial statements preparation dates, the fair value of investment properties for all properties is determined by independent external experts with appropriate qualifications and experience in real estate valuation. Due to the change in the accounting policy for the subsequent measurement of investment properties, the effective dates of the valuation are January 1, 2022, December 31, 2022, and June 30, 2023, and it is prepared in accordance with the professional standards issued by the Royal Institute of Chartered Surveyors (2020 AD), which are in line with international valuation standards and professional standards issued by the Institute. Royal Chartered Surveyors.

The management also did not estimate the fair value of real estate investments as of September 30, 2023, and the fair value of investment properties was relied upon based on the evaluation that took place during the period ending on June 30, 2023. Therefore, the management did not record any profits or losses from measuring the fair value of real estate investments for the period of three months ending September 30, 2023.

The carrying amount and fair values of the land as of 30 September 2023 is presented below:

<u>Location</u>	<u>Purpose</u>	<u>Book value</u>	<u>Valuation Technique</u>	<u>Fair Value Amount as per Valuation</u>
Al-Khobar (Note 6.1)	Rental	2,100,000	Cost approach	4,931,525
Riyadh	Rental	1,250,000	Cost approach	4,004,338
Onezah	Capital Appreciation	160,000	Market value	473,100
Abu Arish (Note 6.2)	Rental	3,135,794	Market value	35,052,876
		<u>6,645,794</u>		<u>44,461,839</u>

Taking into considering the valuation technique and key inputs utilized by the valuers, the valuations are categorized at Level 2 of the fair value hierarchy of IFRS 13.

6.1. The lands include a land in Khobar, with a book value of SAR 2.1 million and were mortgaged to the Saudi Agricultural Development Fund against the borrowings granted to finance the shrimp cultivation and breeding project.

6.2. Title deed of the land document is still not digitized as per the requirements of the regulations. Company is currently in a process of updating the title deed.

6.3 The investment lands included a land in the Dammam area that the Company had previously purchased from the General Organization for Railways on 25 January 2012 for SAR 39.25 million, until the purchase was rejected by the State General Authority for Real Estate, on account of violation of the approved railway protection system.



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**6. INVESTMENT PROPERTIES (CONTINUED)**

6.4 The Company excluded the land from its records and all the required documents were submitted to the General Organization of Railways and a cheque for SAR 24.38 million received by the Company after deducting the accumulated dues of the ZATCA of SAR 11.32 million in addition to deducting the amount of SAR 0.16 million for warehouse rent. Subsequently, the Company submitted the documents required to recover the remaining amount of SAR 3.37 million. The impairment of other assets includes a provision for the full value (note 8).

The name and qualifications of the valuer performed evaluation of the investment properties are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
<b>Name of valuer</b>	Adaa Edarah Real Estate Valuation Manassat Real Estate Valuation Rowaj Real Estate Valuation	Ejadah Saudia Real Estate Valuation
<b>Valuer's qualifications</b>	Licensed (TAQEEM). 1210000876	Licensed (TAQBEM). 1210000003
<b>License number</b>	1210000163 1210000062	

The valuer is independent to the Company and the valuation conforms to International Valuation Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

**7. BIOLOGICAL ASSETS**

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>At fair value</b>		
- Shrimps	8,903,899	3,022,858
- Fish	1,797,183	12,897,234
- Raw material	-	4,744,546
	<u>10,701,082</u>	<u>20,664,638</u>

	<u>For the nine-month period</u>		<u>For the year ended 31</u>	
	<u>ended 30 September 2023</u>		<u>December 2022</u>	
	<u>(Unaudited)</u>		<u>(Audited)</u>	
	<u>Shrimps</u>	<u>Fish</u>	<u>Shrimps</u>	<u>Fish</u>
Carrying amount at 1 January	3,022,858	12,897,234	21,860,518	-
Additions due to purchases during the year	3,337,913	3,507,148	28,439,772	9,883,135
Shared overheads	9,490,969	11,194,487	23,766,748	7,242,974
Transfers to inventories	(3,022,858)	(20,742,510)	(67,452,178)	(4,228,875)
Loss arising from changes in fair value less cost to sell	(3,924,983)	(5,059,176)	(3,592,002)	-
Carrying amount as at	<u>8,903,899</u>	<u>1,797,183</u>	<u>3,022,858</u>	<u>12,897,234</u>

The company evaluated the fish biological assets at fair value starting from the third quarter of 2023 in accordance with accounting standards, also the Company's management was unable to conduct a physical count of the fish as at 31 December 2022 due to the lack of a mechanism to verify the quantities of fish in the sea. Consequently, the management was unable to reach the fair value of the fish as at that date, which could be measured reliably and was therefore stated at cost. In the amount of 20.7M SAR.

The management of the Company considers the market prices, average weight, tails of shrimps, quality of the shrimps and mortality rates to fair value the biological assets. There is no active market for shrimps, so market price is derived from observable market prices including contracted sales which is considered to be level 2 of the fair value hierarchy of IFRS 13.

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**8. PREPAYMENTS AND OTHER ASSETS**

		<u>30 September 2023</u>	<u>31 December 2022</u>
	Note	(Unaudited)	(Audited)
VAT receivables		4,336,024	5,710,009
Advance payments to suppliers		8,114,108	3,747,422
Prepaid expenses (medical, insurance and utilities)		250,229	1,492,595
<i>Less: Impairment</i>		<u>(3,202,180)</u>	<u>(3,445,335)</u>
		9,498,181	7,504,691
<i>Financial Asset at Amortized Cost – Unsecured</i>			
Receivable from Government for Jeddah building	8.1	8,971,782	-
Land related receivables		3,377,204	3,377,204
Government grant receivable	8.2	357,978	510,402
Rental receivable		396,667	1,273,208
Receivables from staff		170,775	256,633
Margin of guarantees		138,097	170,775
Others		27,473	99,116
		<u>13,439,976</u>	<u>5,687,338</u>
<i>Less: Impairment of financial assets</i>	8.3	<u>(3,456,144)</u>	<u>(4,606,144)</u>
		9,983,832	1,081,194
<b>Total</b>		<u>19,482,013</u>	<u>8,585,885</u>

8.1. During the year 2022, Jeddah Municipality expropriated the land, vacated the site and has demolished the administrative building located in Jeddah Governorate and the recoverability amount from the government has been ascertained as SAR 8.97 million by the Saudi Authority for Accredited Valuers approved fair valuer and legal advisor of management has confirmed the reasonableness and recoverability of the same. Accordingly, based on the general inquiries to SOCPA, a receivable from government has been recorded in the books during 2023 in line with the requirements of the applicable accounting standard.

8.2 Government grant receivable relate to the program from the Ministry of Environment, Water and Agriculture to support the Company in the shrimp and fish farming that meets the required criteria.

8.3 During the period, the company wrote off the provision for impairment against a credit balance of SAR 1.15 million as a result of the settlement of the case based on the approval of the executive management.

**9. INVESTMENTS CARRIED AT AMORTIZED COST**

**9.1 Financial Assets at Amortized Cost – Secured**

	<u>30 September 2023</u>	<u>31 December 2022</u>
	(Unaudited)	(Audited)
<b>1. Restricted cash deposits</b>		
Current portion	6,000,000	11,000,000
Accrued profit - current portion	56,000	99,000
Non-current portion	30,000,000	20,000,000
Accrued profit - non-current portion	191,666	126,667
	<u>36,247,666</u>	<u>31,225,667</u>
<b>2. Term deposit</b>		
Original maturity - more than three months	15,000,000	44,000,000
Original maturity – less than three months	-	-
Accrued profit	191,666	383,323
	<u>15,191,666</u>	<u>44,383,323</u>
<b>Total</b>	<u>51,439,332</u>	<u>75,608,990</u>

**9.2 Maturity date**

	<u>30 September 2023</u>	<u>31 December 2022</u>
	(Unaudited)	(Audited)
Current portion	6,000,000	11,099,000
Non-current portion	45,439,332	64,509,990
	<u>51,439,332</u>	<u>75,608,990</u>

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**9. INVESTMENTS CARRIED AT AMORTIZED COST (Continued)**

These funds are raised as a result of the right issuance of the Capital and are only restricted to be utilized in the farm activities of the Company as per the directives of the general assembly.

9.1.1 The Company has placed these funds in restricted bank accounts as a margin deposit for certain financing facilities granted to the Company. The Company also earns a profit on these balances. The average yield on the restricted cash deposits ranges from 3.49% – 5.60%.

- During the 2023 period, restricted cash deposits of 5 million Saudi riyals were released to pay off part of the loan.

9.1.2 The Investment carried at amortized cost represents, term deposit placements with local credit rated financial institutions. The average yield on the placements ranges from 3.49% – 5.60% (31 December 2022: 4%-5.25%).

**10. BORROWINGS**

**10.1. LONG TERM BORROWINGS**

	30 Sep 2023	31 December 2022
	(Unaudited)	(Audited)
Murabaha finance	30,000,000	20,000,000
Zero-interest loan	3,304,320	3,304,320
Accrued finance cost	1,068,534	913,090
	<u>34,372,854</u>	<u>24,217,410</u>
<b>Maturity date</b>		
Non-current portion	31,885,840	21,885,840
Current portion	1,418,480	1,418,480
Accrued finance cost - current portion	1,068,534	913,090
	<u>34,372,854</u>	<u>24,217,410</u>

- The Company has obtained financial facilities from local Islamic bank for the purpose of financing working capital needs. The bank facility bears profit at market prevailing rates and also have restricted cash deposits. The borrowing is repayable by 1 September 2026.

- The company has a long-term interest-free loan from the Saudi Agricultural Development Fund for agricultural activities. The loan is due to be repaid by 2025. These loans are discounted using the prevailing market rate. The difference between the loan received and the present value is recorded as a deferred government grant. The same amount is amortized over the life of the loan as required by international standards for financial reporting.

In addition, these loans are secured against mortgage for lands owned by the Company in Qatif and Al Khobar at their book values in the amount of SAR 1 million (within property, plant and equipment) and SAR 2.1 million (within investment properties), respectively.

**10.2 SHORT TERM BORROWINGS**

	30 Sep 2023	31 December 2022
	(Unaudited)	(Audited)
Short Term Loan	13,738,887	10,000,000
Accrued finance cost	55,585	73,467
	<u>13,794,472</u>	<u>10,073,467</u>

The Company has obtained this loan from a related party National Bank of Bahrain (One of the members of the Board of Directors - Chief Executive Officer in Kingdom of Saudi Arabia) for the purpose of financing working capital needs. The bank facility bears finance costs at market prevailing rates and also have restricted cash deposits.

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**11. RELATED PARTIES' TRANSACTION AND BALANCES**

Key management personnel are those persons, including the Board of Directors members, Managing Director and top executives having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The transactions with related parties represent the salaries, bonuses and allowances of the members of the Board of Directors, the committees and the executive management that took place during the period between the Company and the members of the Board of Directors, the members of the committees and the executive management. The most important transactions with related parties are as follows:

**11.1. Transactions during the Period**

Name of Related Party	Nature of Relationship	Nature of transactions	For the nine-month period ended 30 Sep 2023 (Unaudited)	For the nine month period ended 30 Sep 2022 (Unaudited)
Key management personnel	Board members	Board remuneration	1,639,797	1,662,750
	Key executive employees	Salaries, wages and other allowances	2,151,495	2,625,057
National Bank of Bahrain	One of the members of the Board of Directors - Chief Executive Officer in KSA	Finance cost on borrowings	55,855	-
		Repayment of borrowing	5,000,000	-

**11.2. Balance as at the period end**

Name of related party	Nature of relationship	Nature of Balance	30 Sep 2023 (Unaudited)	31 December 2022 (Audited)
Key management personnel	Board members	Board remuneration *	2,724,027	1,429,286
		Salaries, wages and other allowances *	2,151,495	3,833,210
	Key executive employees	Employees Post-Employment Benefit	127,193	167,082
National Bank of Bahrain	One of the members of the Board of Directors - Chief Executive Officer in KSA	Short-term borrowings	5,055,855	10,073,467

\* The balance is presented under trade and other payables.

**12. PROVISION FOR ZAKAT**

The movement in the provision for zakat is as follows:

	For the nine-month period ended 30 Sep 2023 (Unaudited)	For the year ended 31 December 2022 (Audited)
Balance at the beginning of the year	7,859,107	7,572,018
Charged during the year	1,700,000	1,943,962
Prior year adjustment	6,047,516	850,149
Paid during the period	(1,618,344)	(2,507,022)
Balance at the end of the year	13,988,279	7,859,107



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**12. PROVISION FOR ZAKAT (CONTINUED)**

**12.1. Status of Assessment**

Zakat return for the year ended 31 December 2022 has been filed and are under review with the Zakat, Tax and Customs Authority ("ZATCA"). As of the date of the approval of these interim condensed financial statements, zakat certificate of the Company has been expired and the Company has still not obtained the renewed zakat certificate from the Authority due to non-payment of outstanding dues.

On 25 October 2018, the ZATCA issued zakat assessments for the years from 2011 to 2016 amounting to SAR 8.8 million. The Company has submitted an objection to the zakat assessments, and the objection is still under study by the General Secretariat of Tax Committees. The Company has made a provision amounting to SAR 8.3 million for this assessment based on the consultant's advice.

On 30 September 2020, the ZATCA issued zakat assessments for the years from 2017 to 2018 amounting to SAR 2.4 million. The Company has submitted an objection to the zakat assessments, and the objection is still under study by the General Secretariat of Tax Committees. The Company has made a provision amounting to SAR 1.4 million for this assessment based on the consultant's advice.

On 19 October 2021, the ZATCA issued Zakat assessment differences on the company in the amount of SAR 328,677 for the year 2020, and these differences have been paid.

The company has cleared all outstanding balances of Zakat related to year 2020 amounting to SAR 2,2 million.

The company has cleared all outstanding balances of Zakat related to year 2021 amounting to SAR 3,8.

**13. CONTINGENCIES AND COMMITMENTS**

13.1. The commitment to banks against letters of credit issued on the Company's behalf are SAR 8.68 million at 30 September 2023 (31 December 2022: SAR 3.5 million).

13.2. The commitment to banks against letters of guarantee issued on the Company's behalf are SAR 0.17 million at 30 September 2023 (31 December 2022: 0.17 million).

**14. OTHER REVENUE**

Note	For the nine-month period ended 30 Sep 2023 (Unaudited)	For the nine-month period ended 30 Sep 2022 (Unaudited)
Reimbursement of Jeddah building	8.1	8,971,782
Government grant	14.1	1,319,927
Rental income		1,742,725
Income from property, plant and equipment sale		852,500
Others		967,494
	569,565	-
	2,830,876	440,498
	<u>14,544,650</u>	<u>3,150,717</u>

14.1. Government grant includes subsidy received from the Ministry of Environment, Water and Agriculture on the farming and sales of owned produced shrimps and fish.

**15. FINANCE COST**

	For the nine-month period ended 30 Sep 2023 (Unaudited)	For the nine-month period ended 30 Sep 2022 (Unaudited)
<u>Islamic finance facility:</u>		
Murabaha	1,990,434	162,563
Lease liabilities	534,780	235,780
	<u>2,525,214</u>	<u>398,343</u>

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**16. BASIC AND DILUTED GAIN (LOSS) PER SHARE**

The basic and diluted share of income is calculated by dividing the income for the year attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding at the end of 30 September 2023, which amounted to 40,000,000 shares (30 September 2022: 40,000,000 shares).

	For the nine-month period ended 30 Sep 2023 (Unaudited)	For the nine- month period ended 30 June 2022 (Unaudited)
Net loss of the period	(39,330,443)	(33,750,535)
Weighted average number of shares outstanding during the period	40,000,000	40,000,000
loss per share (SAR)	(0.98)	(0.84)
-Basic	(0.98)	(0.84)
-Diluted	(0.98)	(0.84)

**17. SEGMENT INFORMATION**

The Company's principal business activities involve farming, retail and wholesale of sea food. Selected financial information as at 30 September 2023 and 31 December 2022, and for the periods then ended, categorized by these business segments, is as follows:

Farming	Includes shrimp and fish products processing and distribution
Retail	Includes restaurant and online sales of sea food and related products
Wholesale	Trading of sea food products on wholesale basis

The management constantly analyzes the results of its operations in order to make decisions related to resource allocation and performance evaluation. The Company presents basic financial statements according to activities and products.

The analysis of sectors according to activities is represented in farm, wholesale and retail.

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**17. SEGMENT INFORMATION (CONTINUED)**

For the nine-month period ended 30 September 2023 - (Unaudited)

	Farm	Retail	Wholesale	Total
<b>Revenue</b>				
External revenue	7,228,507	10,073,599	25,366,761	42,668,867
<b>Expenses</b>				
Net Fair Value Gain on Investment Properties	(15,596,382)	(21,735,051)	(54,731,961)	(92,063,394)
Gain for fair value biological asset	2,136,410	2,977,287	7,497,233	12,610,930
Other revenue	(8,984,159)	-	-	(8,984,159)
	2,464,000	3,433,815	8,646,835	14,544,650
	(19,980,131)	(15,323,949)	(38,587,893)	(73,891,973)
<b>OPERATING LOSS</b>	<b>(12,751,624)</b>	<b>(5,250,350)</b>	<b>(13,221,132)</b>	<b>(31,223,106)</b>
Finance revenue	366,838	511,223	1,287,332	2,165,393
Finance cost	(427,795)	(596,172)	(1,501,247)	(2,525,214)
<b>NET LOSS BEFORE ZAKAT</b>	<b>(12,812,581)</b>	<b>(5,335,299)</b>	<b>(13,435,047)</b>	<b>(31,582,927)</b>
Zakat	(1,312,502)	(1,829,094)	(4,605,920)	(7,747,516)
<b>NET LOSS FOR THE PERIOD</b>	<b>(14,125,083)</b>	<b>(7,164,393)</b>	<b>(18,040,967)</b>	<b>(39,330,443)</b>
<b>As at 30 September 2023</b>				
Total Assets	184,843,397	41,938,670	87,427,901	314,209,968
Total Liabilities	43,816,924	33,064,297	48,487,281	125,368,502
<b>As at 31 December 2022</b>				
Total Assets	300,298,013	15,290,984	20,690,468	336,279,465
Total Liabilities	71,266,231	30,825,467	6,015,858	108,107,556

For the nine-month period ended 30 September 2022 - (Unaudited)

	Farm	Retail	Wholesale	Total
<b>Revenue</b>				
External revenue	18,242,471	18,254,657	2,567,547	39,064,675
<b>Expenses</b>				
Net Fair Value Gain on Investment Properties	(40,654,295)	(40,681,454)	(5,721,912)	(87,057,661)
Gain for fair value biological asset	7,550,013	7,555,057	1,062,631	16,167,701
Other revenue	(1,521,856)	(1,522,873)	(214,195)	(3,258,924)
	1,301,860	1,620,878	227,979	3,150,717
	(33,324,278)	(33,028,392)	(4,645,497)	(70,998,167)
<b>OPERATING LOSS</b>	<b>(15,081,807)</b>	<b>(14,773,735)</b>	<b>(2,077,950)</b>	<b>(31,933,492)</b>
Finance revenue	531,569	213,774	30,068	775,411
Finance cost	(186,019)	(186,143)	(26,181)	(398,343)
<b>NET LOSS BEFORE ZAKAT</b>	<b>(14,736,257)</b>	<b>(14,746,104)</b>	<b>(2,074,063)</b>	<b>(31,556,424)</b>
Zakat	(1,024,609)	(1,025,293)	(144,209)	(2,194,111)
<b>NET LOSS FOR THE PERIOD</b>	<b>(15,760,866)</b>	<b>(15,771,397)</b>	<b>(2,218,272)</b>	<b>(33,750,535)</b>

**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
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**(All amounts in Saudi Riyals unless otherwise stated)**

**18. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Company uses market observable 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 that can be accessed at the measurement date

Level 2: Inputs other than quoted prices included in 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).

The Company's financial assets consist of cash and bank balances, investment, restricted cash deposits and other receivables, its financial liabilities consist of trade payables, financial facilities and other liabilities.

The Company's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

All financial assets and liabilities are measured at amortized cost except investment carried at FVTPL. The carrying amounts of all other financial assets and financial liabilities measured at amortized cost approximate to their fair values.

30 September 2023 - (Unaudited)	Fair value Level			Total
	Level 1	Level 2	Level 3	
<b>FINANCIAL ASSET</b>				
Financial assets at fair value Through profit or loss	33,545	-	-	33,545
Biological assets	-	10,701,082	-	10,701,082
Investment properties	-	44,461,839	-	44,461,839
<b>31 December 2022 - (Audited)</b>				
31 December 2022 - (Audited)	Fair value Level			Total
	Level 1	Level 2	Level 3	
<b>FINANCIAL ASSET</b>				
Financial assets at fair value Through profit or loss	33,545	-	-	33,545
Biological assets	-	20,664,638	-	20,664,638
Investment properties	-	31,850,909	-	31,850,909

The above financial assets and financial liabilities are measured at fair value at the end of each reporting period.

**19. SIGNIFICANT EVENTS**

Based on the Royal Decree No. 41355 dated 10 Ramadan 1433H to allocate the two plots of land in Riyadh and Jeddah and transfer their ownership from the Ministry of Agriculture to the Company in exchange for an increase in the Public Investment Fund's share in the Company's capital at the market value.

The Company's current head office land and building in Riyadh and Jeddah land is provided by the government without any rental payments. During the year 2022, the ownership of Riyadh land and Jeddah land has been transferred to the Company, but it is still not recorded in the Company's books as of 30 September 2023, as the Company is currently waiting for the completion of procedures for including the value of the land within Company's capital as stipulated by the Royal Decree, subject to completion of other necessary legal formalities from the relevant authorities.



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**20. EFFECT OF AMENDMENTS RESULTING FROM CHANGE IN ACCOUNTING POLICY**

On December 20, 2022, the company's board of directors approved a change in the accounting policy for the subsequent measurement of the company's investment properties from the cost model to the fair value model, provided that it is the result of the financial impact of the accounting policy change in the third quarter of 2023. The impact of the change in accounting policy was recorded by adjusting each relevant item in the financial statements for previous periods in accordance with International Accounting Standard 8, "Accounting Policies, Changes in Accounting Estimates and Errors," adopted in the Kingdom of Saudi Arabia. The following table summarizes the impact on the company's condensed financial statements for the current period and the presented previous periods (including the nearest period presented):

**Impact of the Amendment on the Statement of Financial Position as of January 1, 2022:**

	Previously recorded amounts January 1, 2022	Amendments	Balance after Amendments As At January 1, 2022
<b>Non-current assets</b>			
Investment Property	6,645,794	20,038,011	26,683,805
<b>Equity</b>			
Accumulated Losses	(128,627,297)	20,038,011	(108,589,286)

**Impact of the Amendment on the Statement of Financial Position as of December 31, 2022:**

	Previously recorded amounts December 31, 2022	Amendments	Balance after Amendments As At December 31, 2022
<b>Non-current assets</b>			
Investment Property	6,645,794	25,205,115	31,850,909
<b>Equity</b>			
Accumulated Losses	(197,419,153)	25,205,115	(172,214,038)

**Impact of the Amendment on the Statement of profit or loss and other comprehensive income for the Three-month period ended 30 September 2022:**

	Previously recorded amounts 30 September 2022	Amendments	Balance after Amendments 30 September 2022
Net Fair Value Gain on Investment Properties	-	-	-
Net loss for the period	(37,166,019)	-	(37,166,019)
Total comprehensive income (loss)	(37,166,019)	-	(37,166,019)
Basic and diluted loss per share	(0,93)	-	(0,93)

**Impact of the Amendment on the Statement of profit or loss and other comprehensive income for the Nine-month period ended 30 September 2022:**

	Previously recorded amounts 30 September 2022	Amendments	Balance after Amendments 30 September 2022
Net Fair Value Gain on Investment Properties	-	16,167,701	16,167,701
Net loss for the period	(49,918,236)	16,167,701	(33,750,535)
Total comprehensive income (loss)	(49,918,236)	16,167,701	(33,750,535)
Basic and diluted loss per share	(1,25)	0,40	(0,84)

**21. RECLASSIFICATION OF PRIOR PERIOD / YEAR FIGURES**

Certain comparative information has been reclassified to conform the current period presentation.

**22. SUBSEQUENT EVENTS**

In the opinion of the management, there have been no significant subsequent events since the period-end that require disclosure or adjustment in these interim condensed financial statements.

**23. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were approved and authorized for issue on 25 Rabi' Al-Thani 1445H (corresponding to 9 November 2023) by the Audit Committee under the authorization of the Board of Directors of the Company.