

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE-
MONTH PERIODS ENDED 30 SEPTEMBER 2021
AND
INDEPENDENT AUDITOR'S REVIEW REPORT ON THE
INTERIM CONDENSED FINANCIAL STATEMENTS

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE-
MONTH PERIODS ENDED 30 SEPTEMBER 2021
AND INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED
FINANCIAL STATEMENTS

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED
FINANCIAL STATEMENTS****TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY
(A SAUDI JOINT STOCK COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA****INTRODUCTION**

We have reviewed the accompanying interim statement of financial position of Saudi Fisheries Company (the "Company") as at 30 September 2021 and the related interim statement of comprehensive income / (loss) for the three-month and nine-month periods then ended, and interim statements of changes in equity and cash flows for the nine-month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

OTHER MATTER

The financial statements of the Company for the year ended 31 December 2020 were audited by another auditor, who expressed an Unmodified opinion dated 11 March 2021.

For Al-Bassam & Co.

Ibrahim A. Al Bassam
Certified Public Accountant
License No. 337

Riyadh on 03 Rabi'ul-Thani 1443H
Corresponding to: 8 November 2021 G



SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021
(All amounts in Saudi Riyals unless otherwise stated)

	Note	30 September 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		146,784,542	133,269,610
Investment properties	5	7,645,794	7,645,794
Right of use assets		7,777,237	8,485,990
		<u>162,207,573</u>	<u>149,401,394</u>
Current assets			
Inventories		25,093,776	10,117,069
Biological assets		5,818,340	600,505
Trade receivables		4,390,740	3,840,717
Prepayments and other receivables	6	4,358,804	3,880,760
Financial assets carried at FVTPL		33,545	33,545
Cash and cash equivalents		115,343,451	190,284,947
		<u>155,038,656</u>	<u>208,757,543</u>
TOTAL ASSETS		<u>317,246,229</u>	<u>358,158,937</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	400,000,000	400,000,000
Accumulated losses		(132,664,556)	(94,816,712)
Remeasurement of employee benefit plan		(162,069)	(162,069)
TOTAL EQUITY		<u>267,173,375</u>	<u>305,021,219</u>
LIABILITIES			
Non-current liabilities			
Non-current portion of an interest-free loan	7	4,722,800	4,722,800
Provision for employee benefit obligation		7,576,531	6,651,909
Lease liabilities – non-current portion		4,583,769	6,035,305
		<u>16,883,100</u>	<u>17,410,014</u>
Current liabilities			
Interest-free loan	7	1,418,480	1,418,480
Governmental grants	7	1,166,987	1,166,987
Trade and other payables		7,605,980	10,666,611
Creditor's compensation and subscription to priority rights shares		13,427,105	13,479,984
Lease liabilities		2,599,184	2,450,684
Provision for zakat	9	6,972,018	6,544,958
		<u>33,189,754</u>	<u>35,727,704</u>
TOTAL LIABILITIES		<u>50,072,854</u>	<u>53,137,718</u>
TOTAL EQUITY AND LIABILITIES		<u>317,246,229</u>	<u>358,158,937</u>

The accompanying notes 1 to 18 form an integral part of these interim condensed financial statements.

The authorized member of
the Board of Directors

CEO

CFO

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF COMPREHENSIVE (LOSS) / INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2021 (Unaudited)	2020 (Unaudited) Restated	2021 (Unaudited)	2020 (Unaudited) Restated
Revenue	12	11,971,237	9,637,373	33,782,821	30,096,111
Cost of revenue	12	(8,566,711)	(4,601,142)	(18,596,135)	(17,385,771)
GROSS PROFIT	12	3,404,526	5,036,231	15,186,686	12,710,340
Other income		686,811	348,472	2,213,333	1,229,866
Impairment of non-financial assets	10	(4,429,107)	-	(4,429,107)	-
Farms expenses		(2,945,196)	(2,116,521)	(9,436,902)	(6,320,395)
Manufacturing expenses		(408,099)	(581,625)	(1,421,790)	(1,578,425)
Fishing boats expenses		(905,672)	(467,941)	(2,818,702)	(1,766,267)
Selling and distribution expenses		(7,727,879)	(4,341,554)	(20,184,784)	(14,034,954)
General and administrative expenses		(5,469,256)	(3,919,716)	(14,393,608)	(12,634,582)
OPERATING LOSS		(17,793,872)	(6,042,654)	(35,284,874)	(22,394,417)
Finance cost		(70,451)	26,237	(216,431)	(2,813,319)
NET LOSS BEFORE ZAKAT		(17,864,323)	(6,016,417)	(35,501,305)	(25,207,736)
Zakat	9	(600,000)	(150,000)	(2,346,539)	(900,000)
NET LOSS FOR THE PERIOD		(18,464,323)	(6,166,417)	(37,847,844)	(26,107,736)
Other comprehensive income for the period		-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(18,464,323)	(6,166,417)	(37,847,844)	(26,107,736)
Losses per share (SR) (Restated)	11,15	(0.46)	(0.15)	(0.95)	(0.65)

The accompanying notes 1 to 18 form an integral part of these interim condensed financial statements.

The authorized member of the
Board of Directors

CEO

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SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts in Saudi Riyals unless otherwise stated)

**For the nine-month period ended
30 September 2020**

	Note	Share capital	Re-measurement of the employee benefit plan	Accumulated losses	Total
Balance as at 1 January 2020 – Audited		101,100,000	6,950	(49,602,813)	51,504,137
Restatements	15	-	-	(4,189,960)	(4,189,960)
Capital increase	1	298,900,000	-	-	298,900,000
Total comprehensive loss for the period (Restated)		-	-	(26,107,736)	(26,107,736)
Balance as at 30 September 2020 (Unaudited)		400,000,000	6,950	(79,900,509)	320,106,441

**For the nine-month period ended
30 September 2021**

		Share capital	Re-measurement of the employee benefit plan	Accumulated losses	Total
Balance as at 1 January 2021 – Audited		400,000,000	(162,069)	(94,816,712)	305,021,219
Total comprehensive loss for the period		-	-	(37,847,844)	(37,847,844)
Balance as at 30 September 2021 (Unaudited)		400,000,000	(162,069)	(132,664,556)	267,173,375

The accompanying notes 1 to 18 form an integral part of these interim condensed financial statements.

The authorized member of the
Board of Directors

CEO

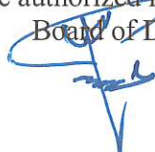
CFO

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts in Saudi Riyals unless otherwise stated)


	Note	30 September 2021 (Unaudited)	30 September 2020 (Unaudited) Restated
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss for the year before zakat		(35,501,305)	(25,207,736)
Adjustments to reconcile net income to net cash provided (used) by operating activities:			
Depreciation		8,292,696	6,203,966
Amortization of right to use assets		2,111,147	1,878,343
Impairment of Non-financial asset	10	4,429,107	-
Gain from sale of property, plant and equipment		-	(301,600)
Provision for employee's benefits obligation		1,588,644	345,514
Provision for doubtful debts		1,874,015	-
Changes in working capital:			
Inventory		(14,976,707)	(247,047)
Change in biological assets		(5,217,835)	-
Trade receivables		(1,274,038)	(1,951,922)
Prepayments and other receivables		(1,628,044)	6,100,706
Trade and other payables		(3,060,631)	(3,141,973)
Zakat paid		(1,919,479)	(880,107)
Employees post-employment benefits paid		(664,022)	-
Cash Flow used in Operating Activities		(45,946,452)	(17,201,856)
CASH FLOW INVESTING ACTIVITIES:			
Payments to purchase property, plant and equipment		(26,236,735)	(6,663,406)
Proceeds from the sale of property, plant and equipment		-	301,600
Cash flow used in investing activities		(26,236,735)	(6,361,806)
FINANCING ACTIVITIES			
Share capital increase		-	294,710,041
Change in bank facilities		-	(80,000,000)
Lease liabilities paid		(2,705,430)	(619,285)
Creditors subscribing to equity shares		(52,879)	772,244
Cash flows (used in) / generated from financing activities		(2,758,309)	214,863,000
Net change in cash and cash equivalents during the period		(74,941,496)	191,299,338
Cash and cash equivalents at the beginning of the period		190,284,947	7,275,918
Cash and cash equivalents at the end of the period		115,343,451	198,575,256

The accompanying notes 1 to 18 form an integral part of these interim condensed financial statements.

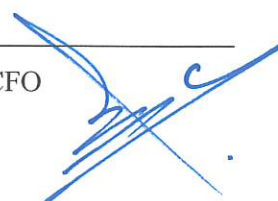
The authorized member of the
Board of Directors



CEO



CFO



SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND OPERATIONS

The Saudi Fisheries Company (a Saudi joint stock company) was established in accordance with the provisions of the Companies Law issued by the Royal Decree No. M / 6 dated 3/22/1385 AH and its amendments, and in accordance with Ministerial Resolution No. 67 of 4/30/1400 AH after being licensed under Ministerial Order No. 9/10/1398 AH, which included establishing a fishing company (a joint stock company) in which the government participates with 40% of the capital, and Ministerial Resolution No. (35) dated 2/3/1399 AH, which includes the formation of the first board of directors for the Company. The Company is engaged in fishing in international waters, fish farming in the seas, shrimp farming in the seas and other activities for the processing and preservation of fish and aquatic organisms, fish and seafood grilling shops. The above activities require obtaining a license from relevant authorities such as the Ministry of Environment, Water and Agriculture and the Ministry of Energy, Industry and Mineral Resources.

The head office of the Company is located in the city of Riyadh in the Kingdom of Saudi Arabia.

The Company was registered on 9 Jumada Al-Awal 1401H corresponding to March 14,1981G in the commercial registration in Dammam under No. 2050010531. The Company financial information includes the following branches office as well:

branch name	Commercial Registration No	Place of issue	Date
Jizan	5900001712	Jizan	22/12/1401 H
Riyadh	1010042732	Riyadh	22/3/1402 H
Jeddah	4030041385	Jeddah	13/3/1404 H
Rijal Alma'a- Al-Huraidah	5861023704	Abha- Rijal Alma'a	18/3/1424 H

The Board of Directors, in its meeting held on May 24, 2018, agreed to submit to the Capital Market Authority a request to reduce the Company's capital from 200,000,000 Saudi riyals to 98,993,467 Saudi riyals. On October 24, 2018, the recommendation of the Board of Directors was amended to request to reduce the Company's capital from 200,000,000 to 101,100,000 Saudi riyals by canceling 9,890,000 shares, as the accumulated losses as on September 30, 2018 amounted to 98,993,467 Saudi riyals, representing about 49.49% of the Company's capital, and therefore the Company's capital was reduced by 98,900,000 Saudi riyals to absorb the accumulated losses by the same amount.

The Company's capital was increased during the year 2020, after obtaining the approval of the Capital Market Authority on 01/30/2020, as follows: -

The shareholders in the Extraordinary General Assembly meeting held on Ramadan 21 1441 H corresponding to May 14, 2020 G agreed to increase the Company's capital by a value of (298,900,000) riyals according to the following:

- A. The capital of the Company before the increase is SAR 101,100,000 divided into 10,110,000 ordinary shares
- B. The Company's capital after the increase to be 400,000,000 riyals, divided into 40,000,000 ordinary shares
- C. The reason for the capital of the Company is to finance the rehabilitation and operation of the Al-Huraida project, pay the establishment fees, working capital and repay the loan.
- D. The method of increasing the capital of a company: offering and listing of priority rights shares with (29,890,000) ordinary shares.

Furthermore, On March 25, 2021, the ownership of the Public Investment Fund, which represents 40% of the Company's shares, was transferred to the Saudi Company for Agricultural Investment and Animal Production (Salic). The shares had been transferred during this quarter.

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND OPERATIONS (Continued)

In reference to the events related to the spread of the Covid-19 virus and the consequent impact on business sectors at the global level, the company has taken many measures and measures necessary to protect the company and its employees and continue working to improve the company's performance. Despite these challenges that the company faced like other companies, the company's operations are still not significantly affected; This is because the company implements the policies to face the crisis well and takes advantage of the initiatives and incentives provided by the government, and the company will present to disclose any fundamental changes in the future if they occur. The management does not believe that there is any factor causing a change in the pandemic conditions that may affect the Company's operations during the year 2021.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These interim condensed financial statements of the Company 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 endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended 31 December 2020. As it does not include all the information required to prepare a complete set of financial statements, however, accounting policies and explanatory notes are mentioned to explain material transactions to understand changes in the Company's financial position and performance since the Company's last financial statements.

The results for the nine-month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2021.

2.2. BASIS OF MEASUREMENT

These interim condensed financial statements are prepared under the historical cost method except for the following:

- a) Financial assets carried at FVTPL;
- b) Employees' post-employment benefits are recognized at the present value of future obligations using the Projected Unit Credit Method; and
- C) Fair value of biological assets .

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

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

2.4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

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

The significant estimates made by management when applying the Company's accounting policies and the significant sources of estimation uncertainties were the same as those shown in the last annual financial statements.

As explained in note 1 above, the Company has reviewed the main sources of estimates of uncertainty that have been disclosed in the last annual financial statements against the backdrop of the Covid-19 pandemic. Management will continue to monitor the situation and any required changes that will be reflected in future reporting periods.

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts in Saudi Riyals unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 31 December 2020.

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 2020, but they do not have a material effect on the Company's interim condensed financial statements.

5. INVESTMENT PROPERTIES

The book value of the investment lands owned by the Company is 7,645,794 Saudi riyals represented in the Qatif land with a book value of 1,000,000 Saudi riyals and a market value of 21,413,345 Saudi riyals, the land of Onaizah with a book value of 160,000 Saudi riyals and a market value of 373,500 Saudi riyals, the land of al-Dhabab with a book value of 1,250,000 Saudi riyals and a market value of 3,232,505 Saudi riyals, Khobar land with a book value of 2,100,000 Saudi riyal and a market value of 4,848,975 Saudi riyals, all the mentioned lands were evaluated during the year 2020. In addition to the land of Abu Arish, with a book value of 3,135,794 Saudi riyals, without a recent evaluation of it, as roads were deducted from the land, and part of it was entered into the residential plans by the Jazan region Municipality and work is underway to correct the deed and claim the deducted part from the municipality and the Ministry of Transport.

The plots of land in Khobar and Qatif are mortgaged in favor of the Saudi Agricultural Development Fund in return for the loan granted to the Company in November 2009 to finance the project of shrimp cultivation and breeding (note 7).

6. PREPAYMENTS AND OTHER RECEIVABLES

	Note	30 September 2021 (Unaudited)	31 December 2020 (audited)
Due from the recovery of the purchase of land	6.1	3,377,204	3,377,204
Accrued rental income		1,329,474	1,424,480
Receivables staff		98,300	100,000
Fishers' receivables*		-	1,256,732
Letter of guarantee		1,299,166	473,250
Prepaid expenses		1,875,590	1,311,451
Other		116,672	327,242
Accrued interest		789,602	244,337
		8,886,008	8,514,696
Impairment of Other receivables	6.2	(4,527,204)	(4,633,936)
		4,358,804	3,880,760

6.1 It represents the receivable from the recovery of the purchase of land from the General Corporation for Railways, as the Saudi Fisheries Company bought the land of Dammam located near the railway in 2011 for 39,245,982 Saudi riyals, but the purchase process was subsequently rejected by the State Property Authority, due to violation of the railway protection system, in addition to its violation of the Noble orders not to grant, sell, or dispose of government lands and be satisfied with leasing, the Company excluded the land from its records and all the required documents were submitted to the General Organization of Railways and a check for 24,381,455 Saudi riyals was received by the Company after deducting the accumulated dues of the General Authority for Zakat and Income of 11,322,322 Saudi riyals in addition to deducting the amount of 165,000 Saudi riyals for warehouse rent. The Company has submitted the documents required to recover the remaining amount of 3,377,204 Saudi riyals. The impairment of other receivables includes a provision for the full value of the recovery due from the recovery of the purchase of land.

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts in Saudi Riyals unless otherwise stated)

6. PREPAYMENTS AND OTHER RECEIVABLES (Continued)

6.2 The following is the movement of Impairment of other Receivable balances: -

	30 September 2021 (Unaudited)	31 December 2020 (audited)
Balance beginning of the period / year	4,633,936	4,633,936
Charged during the period / year	1,150,000	-
Write off during period / year*	(1,256,732)	-
Balance end of the period / year	4,527,204	4,633,936

*Board of directors on 14 July 2021 approved a write off amounted to 1,256,732 Saudi riyals against the Fishers' receivables.

7. INTEREST-FREE LOAN

The Company also obtained an interest-free loan in the amount of 7,026,144 Saudi riyals from the Saudi Agricultural Development Fund on 21/11/1430 corresponding to 8/11/2009 from the total facility agreement amounting to SR 12,867,838 Saudi riyals to finance the shrimp cultivation and breeding project, in return for a mortgage for lands owned by the Company on Al Khobar and Qatif and their book values in the amount of 1,000,000 and 2,100,000 Saudi riyals respectively, provided that the loan is repaid on 21/11/1432 corresponding to October 19, 2011. The Company also obtained the second installment of these facilities in the amount of 2,984,741 Saudi riyals, increasing the total financing to 10,010,885 Saudi riyals as of June 12, 2011. As a result of non-payment, the Company submitted on 5/7/1437 corresponding to 12/4/2016 a request to reschedule the loan balance amounting to 10,010,880 Saudi riyals. It was approved to reschedule the loan in nine annual installments commencing November 2017.

	30 September 2021 (Unaudited)	31 December 2020 (audited)
Agricultural Development Fund loan	6,141,280	6,141,280
	6,141,280	6,141,280
current part	1,418,480	1,418,480
non-current part	4,722,800	4,722,800
	6,141,280	6,141,280

Government grants represent the difference between the loan value as at September 30, 2021 and the fair value that was calculated based on the market interest rate, and this amount will be amortized over the life of the loan.

Governmental grants

	30 September 2021 (Unaudited)	31 December 2020 (audited)
Governmental grants	1,166,987	1,166,987

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts in Saudi Riyals unless otherwise stated)

8. RELATED PARTIES' TRANSACTION AND BALANCES

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:

	30 September 2021 (unaudited)		30 September 2020 (unaudited)	
	BOD members and committees	Executive Management	BOD members and committees	Executive Management
Salaries, wages and equivalents, board attendance allowances, and board members' bonuses.	1,498,550	978,837	1,144,150	969,837

9. PROVISION FOR ZAKAT

The movement in the provision for zakat is as follows:

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Balance at the beginning of the period / year	6,544,958	4,425,065
Provided during the period / year	2,346,539	3,000,000
Payment during the period / year	(1,919,479)	(880,107)
Balance at the end of the period / year	6,972,018	6,544,958

9.1. STATUS OF ASSESSMENTS

- 1- Zakat return for the year ended 31 December 2020 has been filed and are under review with the Zakat, Tax and Customs Authority ("Authority"). The Company has obtained a certificate from the Authority valid 29 Ramadan 1443H corresponding to 30 April 2022.
- 2- On 25 October 2018, the Zakat, Tax and Customs Authority issued zakat assessments for the years from 2011 to 2016. The company submitted an objection to the zakat assessments, and the objection is still under study by the General Secretariat of Tax Committees.
- 3- On 30 September 2020, the Zakat, Tax and Customs Authority issued zakat assessments for the years from 2017 to 2018. The company submitted an objection to the zakat assessments, and the objection is still under study by the General Secretariat of Tax Committees.

10. Impairment of non-financial assets:

The impairment of non-financial assets pertains to the Al-Huraidah Farm project recorded as project under construction under property plant and equipment, based on the valuation report appraised by RAKIM Company accredited Taqem valuers, the results are as follows:

Description at 30 September 2021	Machinery	Building	Total
Carrying amount	13,036,000	12,781,000	25,817,000
Valuation	(9,884,840)	(11,503,053)	(21,387,893)
Impairment	3,151,160	1,277,947	4,429,107

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021
(All amounts in Saudi Riyals unless otherwise stated)

11. LOSSES PER SHARE

The basic and diluted share of income is calculated by dividing the income for the period attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding at the end of the period, which amounted to 40,000,000 shares (30 September 2020: 40,000,000 shares).

	30 September 2021	30 September 2020 Restated
	(Unaudited)	(Unaudited)
Loss of the period	(37,847,844)	(26,107,736)
Weighted average number of shares outstanding during the period / year	40,000,000	40,000,000
Losses per share	(0.95)	(0.65)

12. Segment information:

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.

A geographical sector is a group of assets or operations that carry out revenue-generating activities in a specific economic environment that are subject to risks and returns that are different from those operating in other economic environments.

The analysis of sectors according to activities is represented in wholesale sales, retail sales, vans and farm sales. Sectors are also analyzed according to the products represented by sales of fish and shrimp.

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12. Segment information (continued)

12-1 Analyze sales, cost of sales, and gross profit or loss according to products

Statement	30 September 2021 (unaudited)						30 September 2020 (unaudited) restated				31 December 2020 (audited)	
	Sales	Cost of sale	Gross profit	Net loss	Total liabilities	Total Assets	Sales	Cost of sale	Gross income	Net loss	Total assets	Total liabilities
Equipped fish	9,295,824	(5,116,991)	4,178,833	(10,414,374)	13,778,258	87,294,815	11,614,384	(6,709,339)	4,905,045	(10,075,231)	134,271,390	20,989,152
Equipped shrimp	4,970,222	(2,735,915)	2,234,307	(5,568,279)	7,366,857	46,674,142	2,448,317	(1,414,332)	1,033,985	(2,123,863)	28,417,892	4,442,253
Other	19,516,775	(10,743,229)	8,773,546	(21,865,191)	28,927,739	183,277,272	16,033,410	(9,262,100)	6,771,310	(13,908,642)	198,846,859	31,083,517
Total	33,782,821	(18,596,135)	15,186,686	(37,847,844)	50,072,854	317,246,229	30,096,111	(17,385,771)	12,710,340	(26,107,736)	361,536,141	56,514,922

12-2 Analyze sales and cost of sales gross income by geographic region

Statement	30 September 2021 (unaudited)						30 September 2020 (unaudited) restated				31 December 2020 (audited)	
	Sales	Cost of sale	Gross income	Net loss	Total liabilities	Total Assets	Sales	Cost of sale	Gross income	Net loss	Total assets	Total liabilities
Eastern Region	4,764,849	(2,622,865)	2,141,984	(5,338,195)	7,062,453	44,745,534	4,411,088	(2,548,175)	1,862,913	(3,826,525)	59,202,845	9,254,522
Central Region	20,417,850	(11,239,236)	9,178,614	(22,874,691)	30,263,311	191,739,047	16,357,376	(9,449,247)	6,908,129	(14,189,676)	187,840,002	29,362,937
Western Region	5,788,704	(3,186,457)	2,602,247	(6,485,248)	8,580,010	54,360,307	7,363,449	(4,253,680)	3,109,769	(6,387,635)	94,094,470	14,708,742
Southern area	2,811,418	(1,547,577)	1,263,841	(3,149,710)	4,167,080	26,401,341	1,964,198	(1,134,669)	829,529	(1,703,900)	20,398,824	3,188,721
Total	33,782,821	(18,596,135)	15,186,686	(37,847,844)	50,072,854	317,246,229	30,096,111	(17,385,771)	12,710,340	(26,107,736)	361,536,141	56,514,922

12-3 Analyze sales, cost of sales, and total profit or loss according to activities

Statement	30 September 2021 (unaudited)						30 September 2020 (unaudited) restated				31 December 2020 (audited)	
	Sales	Cost of sale	Gross income	Net loss	Total liabilities	Total Assets	Sales	Cost of sale	Gross income	Net loss	Total assets	Total liabilities
Retail sales	23,378,766	(12,869,105)	10,509,661	(26,191,891)	34,651,977	219,544,287	21,175,347	(12,232,469)	8,942,878	(18,369,163)	240,313,123	37,565,477
Wholesale sales	5,248,111	(2,888,882)	2,359,229	(5,879,606)	7,778,743	49,283,730	7,449,100	(4,303,159)	3,145,941	(6,461,936)	106,767,837	16,689,827
Boat sales	2,414,044	(1,328,838)	1,085,206	(2,704,519)	3,578,093	22,669,698	1,471,664	(850,143)	621,521	(1,276,637)	14,455,181	2,259,618
Farm sales	2,741,900	(1,509,310)	1,232,590	(3,071,828)	4,064,041	25,748,514	-	-	-	-	-	-
Total	33,782,821	(18,596,135)	15,186,686	(37,847,844)	50,072,854	317,246,229	30,096,111	(17,385,771)	12,710,340	(26,107,736)	361,536,141	56,514,922

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13. FAIR VALUES 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 2021 (Unaudited)	Fair value Level			Total
	1	2	3	
FINANCIAL ASSET				
Financial assets at fair value Through profit or loss	-	33,545	-	33,545

31 December 2020 (Audited)	Fair value Level			Total
	1	2	3	
FINANCIAL ASSET				
Financial assets at fair value Through profit or loss	-	33,545	-	33,545

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

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14. SIGNIFICANT EVENTS

Based on the Royal Decree No. 41355 dated 10/9/1433H 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. In the opinion of the Company's management and according to the discussion with the Capital Markets Authority, this procedure can be implemented by submitting a capital increase request for the two lands after obtaining the required approvals and appointing a financial advisor for the transaction period.

The ownership of Riyadh land was transferred to the Company and it was not registered in the Company's books on 30 September 2021, where the Company is waiting for the completion of the procedures for transferring the ownership of Jeddah land and start of procedures for including the value of the two lands within Company's capital as stipulated by the Royal Decree, subject to completion of necessary legal formalities from the relevant authorities.

15. RESTATEMENTS

	Note	Nine -Month Ended 30 September 2020 (unaudited)	Reclassification	Remeasurement	Nine -Month Ended 30 September 2020 (unaudited) Restated
Revenue		30,096,111	-	-	30,096,111
Cost of revenue		(17,385,771)	-	-	(17,385,771)
Gross income		12,710,340	-	-	12,710,340
Other revenue, net		1,229,866	-	-	1,229,866
Farms expenses		(6,320,395)	-	-	(6,320,395)
Manufacturing expenses		(1,578,425)	-	-	(1,578,425)
Boats expenses		(1,766,267)	-	-	(1,766,267)
Selling and marketing expenses		(14,034,954)	-	-	(14,034,954)
General and administrative expenses		(12,634,582)	-	-	(12,634,582)
Loss from operations		(22,394,417)	-	-	(22,394,417)
Finance cost		(2,813,319)	-	-	(2,813,319)
Capital increase expense, priority right	A	(4,189,960)	4,189,960	-	-
Net loss / profit from operations before zakat		(29,397,696)	4,189,960	-	(25,207,736)
Zakat		(900,000)	-	-	(900,000)
Net loss for the period		(30,297,696)	4,189,960	-	(26,107,736)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss / comprehensive income for the period		(30,297,696)	4,189,960	-	(26,107,736)
Losses per share		(0.76)	-	-	(0.65)

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15. RESTATEMENTS (CONTINUED)

15. A The management during 2020 inadvertently charged the expenses related to the capital increase amounting to 4,189,960 Saudi Riyals to the statement of comprehensive income.

Per the requirements of international accounting standard 32 – Financial Instruments: Disclosure and Presentation (“IAS 32”), such expenses should be charged to the retained earnings as part of the capital restructuring transaction cost within the statement of changes in equity. Accordingly, the comparative interim statements of comprehensive income/loss and changes in equity for the nine-month period ended 30 September 2020 have been restated to conform with the requirements of IAS 32.

16. Reclassification of comparative figures

Comparative figures have been reclassified to match the current period figures

	31 December 2020 (Audited)	Reclassified	31 December 2020 (Audited -Amended)
FINANCIAL POSITION			
Prepayments and other receivables	7,257,964	(3,377,204)	3,880,760
Trade and other payables	14,043,815	(3,377,204)	10,666,611

17. UNADJUSTED EVENTS AFTER THE DATE OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The Company announced that it signed a non-binding Memorandum of Understanding with the Arabian Agricultural Services Company (ARASCO) on 13-03-1443 AH, corresponding to 19-10-2021 AD, for a period of six months from the date of the signature, and can be extended. The objective is to consider future cooperation regarding the manufacturing and commercial operation of the Company’s Feed factory for seafood (under construction) at Al-Huraydah in the Asir region.

18. DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements were approved and authorized for issue on 2 November 2021G (corresponding to 27 Rabi al-awwal 1443H) by the Audit of committee under an authorization of the Board of Directors of the Company.