

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTHS
ENDED 31 MARCH 2022
AND
INDEPENDENT AUDITOR'S REVIEW REPORT

SAUDI FISHERIES COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTHS ENDED 31 MARCH 2022

AND INDEPENDENT AUDITOR'S REVIEW REPORT

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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 31 March 2022 and the related interim statements of comprehensive loss, and interim statements of changes in equity, and interim statements of cash flows for the three -month period then ended, and notes to the interim financial statement, including 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 interim condensed financial statements for the three-months period ended 31 March 2021 were reviewed by another auditor who expressed a unqualified review conclusion on 10 May 2021.

For Al-Bassam & Co.

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



**Riyadh on : 28 Shawwal 1443H
Corresponding to: 29 May 2022 G**

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022
(All amounts in Saudi Riyals unless otherwise stated)

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Non-Current Assets			
Property, plant, and equipment		125,837,585	105,021,385
Capital work in progress		35,358,180	57,228,686
Investment properties	5	7,645,794	7,645,794
Right of use assets		6,565,669	7,171,453
Total Non-Current Assets		175,407,228	177,067,318
Current assets			
Inventories		22,130,505	22,183,419
Biological assets	7	17,470,185	21,860,518
Trade receivables		5,187,434	5,051,454
Prepayments and other receivables	6	10,945,765	14,768,301
Financial assets carried at FVTPL		33,546	33,545
Financial assets at amortized cost	8	80,000,000	95,000,000
Cash and cash equivalents		6,096,172	5,332,894
Total Current Assets		141,863,606	164,230,131
TOTAL ASSETS		317,270,834	341,297,449
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1	400,000,000	400,000,000
Accumulated losses		(144,137,516)	(128,627,297)
Remeasurement of employee benefit plan		(103,627)	(103,627)
TOTAL EQUITY		255,758,857	271,269,076
LIABILITIES			
Non-Current liabilities			
Non-current portion of an interest-free loan	9	3,304,320	3,304,320
Provision for employee benefit obligation		7,179,920	6,935,471
Lease liabilities – non-current portion		4,376,324	4,632,324
Total Non-Current Liabilities		14,860,564	14,872,115
Current liabilities			
Interest-free loan	9	1,418,480	1,418,480
Governmental grants	9	1,166,987	1,166,987
Trade and other payables		20,204,868	28,975,132
Creditor's compensation and subscription to			
Priority rights shares		13,418,555	13,424,457
Lease liabilities		2,599,184	2,599,184
Provision for zakat	11	7,843,340	7,572,018
Total Current Liabilities		46,651,414	55,156,258
TOTAL LIABILITIES		61,511,977	70,028,373
TOTAL EQUITY AND LIABILITIES		317,270,834	341,297,449

The accompanying notes 1 to 17 form an integral part of these interim condensed financial statements.

Chairman of the Board of
Directors

Chief Executive Officer

Chief Financial Officer

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF COMPREHENSIVE LOSS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the three-month period ended 31 March	
		2022 (Unaudited)	2021 (Unaudited)
Revenue	13	16,979,541	12,013,262
Cost of revenue	13	(25,166,744)	(11,608,326)
Gain on fair valuation of biological asset	7	3,836,813	--
GROSS PROFIT	13	(4,350,390)	404,936
Selling and distribution expenses		(6,446,932)	(5,858,269)
General and administrative expenses		(4,580,298)	(4,554,491)
Other income	13	557,401	831,767
OPERATING LOSS		(14,820,219)	(9,176,063)
Finance cost		(90,000)	(72,990)
NET LOSS BEFORE ZAKAT		(14,910,219)	(9,249,053)
Zakat	11	(600,000)	(500,000)
NET LOSS FOR THE PERIOD		(15,510,219)	(9,749,053)
Other comprehensive income for the period		--	--
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(15,510,219)	(9,749,053)
Losses per share (SR)	12	(0.39)	(0.24)

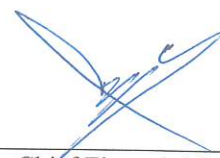
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Chairman of the Board of
Directors



Chief Executive Officer



Chief Financial Officer

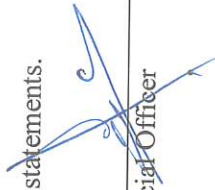
SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022
(All amounts in Saudi Riyals unless otherwise stated)

<u>For the three-month period ended</u> <u>31 March 2021</u>	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	--	--	(9,749,053)	(9,749,053)
Balance as at 31 March 2021 (Unaudited)	400,000,000	(162,069)	(104,565,765)	295,272,166
<u>For the three-month period ended</u> <u>31 March 2022</u>	Share capital	Re-measurement of the employee benefit plan	Accumulated losses	Total
Balance as at 1 January 2022 – Audited	400,000,000	(103,627)	(128,627,297)	271,269,076
Total comprehensive loss for the period	--	--	(15,510,219)	(15,510,219)
Balance as at 31 March 2022 (Unaudited)	400,000,000	(103,627)	(144,137,516)	255,758,857

The accompanying notes 1 to 17 form an integral part of these interim condensed financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman of the Board of
Directors

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022
(All amounts in Saudi Riyals unless otherwise stated)

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
loss before zakat	(14,910,219)	(9,249,053)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	2,054,523	2,569,705
Amortization of right to use assets	527,646	712,095
Gain on fair valuation of biological asset	(3,836,813)	
Provision for employee benefits obligation	244,449	176,991
Changes in working capital:		
Inventories	52,914	(898,367)
Change in biological assets	8,227,146	272,610
Trade receivables	(135,980)	(37,053)
Prepayments and other receivables	3,822,535	(1,177,110)
Trade and other payables	(8,770,264)	(1,183,737)
Zakat paid	(328,678)	--
Cash Flow used in operating activities	(13,052,741)	(8,813,919)
CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to Property, plant, and equipment	(1,000,217)	(6,693,879)
Cash flow used in investing activities	(1,000,217)	(6,693,879)
CASH FLOW FROM FINANCING ACTIVITIES		
Government loans, facilities and grants	--	(157)
Lease liabilities paid	(177,862)	(1,072,536)
Creditors subscribing to equity shares	(5,902)	(23,521)
Cash flows used in financing activities	(183,764)	(1,096,214)
Net change in cash and cash equivalents during the period	(14,236,722)	(16,604,012)
Cash and cash equivalents at the beginning of the period	20,332,894	20,284,947
Cash and cash equivalents at the end of the period	6,096,172	3,680,935


Non-Cash Transactions

Transfers from project in progress to property, plant, and equipment

21,870,506

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The accompanying notes 1 to 17 form an integral part of these interim condensed financial statements.


Chairman of the Board of
Directors


Chief Executive Officer


Chief Financial Officer

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022
(All amounts in Saudi Riyals unless otherwise stated)

1. LEGAL STATUS AND OPERATIONS

The Saudi Fisheries Company, a Saudi joint stock Company (the "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 39.99% 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. In accordance with the bylaws, the Company shall engage in fishing in international waters, fish farming in the seas, and other activities for the processing and preservation of shrimps and aquatic organisms, shrimps 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 Damman 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

On March 25, 2021, the ownership of the Public Investment Fund, which represents 39.99% of the Company's shares, was transferred to the Saudi Company for Agricultural Investment and Animal Production (Salic).

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 2022.

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 2021. 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 three-month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2022.

SAUDI FISHERIES COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022

(All amounts in Saudi Riyals unless otherwise stated)

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.

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 2022 as it relates to fish farming that commenced during the period ended March 31 2022.

Biological assets

In accordance with the principle for highest and best use, the Company considers that the fish have optimal weight for harvest when they have a live weight corresponding to 2 kg. fishes with a live weight equal to this or more, are classified as ready for harvest while fishes that have still not achieved this weight are classified as preharvest. For ready for harvest, the highest and best use is defined as harvesting and selling the fishes as quickly as possible. For preharvest, the highest and best use is in principle defined as growing the fishes to optimal weight for harvest, then harvesting and selling the fishes. The harvest date applied in the valuation may however be brought forward if required by situations at a specific locality.

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 2022, but they do not have a material effect on the Company's interim condensed financial statements.

SAUDI FISHERIES COMPANY**(A Saudi Joint Stock Company)****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022****(All amounts in Saudi Riyals unless otherwise stated)****5-INVESTMENT PROPERTIES**

The investment lands included a land in the Dammam area that the Company had previously purchased from the General Organization for Railways on January 25, 2012 for SR 39.2 million, until the purchase was rejected by the State General Authority for Real Estate, on account of violation of the approved railway protection system.

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 SR 24,4 million was received by the Company after deducting the accumulated dues of the General Authority for Zakat and Income of SR 11,3 million in addition to deducting the amount of 165,000 Saudi riyals for warehouse rent. Subsequently, the Company submitted the documents required to recover the remaining amount of SR 3,4 million. The impairment of other receivables includes a provision for the full value of the recovery due purchase of land. Also, (See Note 6)

The lands include two plots of land in Khobar and Qatif, with a book value of SR 3,1 million as of March 31, 2022 and December 31, 2021 and were mortgaged to the Saudi Agricultural Development Fund against the borrowings granted to finance the shrimp cultivation and breeding project.

The carrying and fair values of the land as of December 31 2021 and March 31 2022 is presented below :-

Description	Book value	Valuation Technique	Key Inputs	Fair Value Amount as per Valuation (Lowest)	Name Of Valuer
Al-Qatef Farm	1,000,000	Market Value	Recent transactions	15,700,000	Esnad Real Estate Valuation
Riyadh -Al-Dabab Land	1,250,000	Market Value	Recent transactions	3,305,375	Hayiaz Real Estate valuation
Onezah Land	160,000	Market Value	Recent transactions	339,337	Hayiaz Real Estate valuation
Al-Kobar Land	2,100,000	Market Value	Recent transactions	5,149,093	Hayiaz Real Estate valuation
Jezan Land	3,135,794	Cost Approach	Cost of Construction	17,890,000	Value Index
	7,645,794			21,188,430	

All the valuers are licensed by TAQEEM. 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-PREPAYMENTS AND OTHER RECEIVABLES

	31 March 2022 (Unaudited)	31 December 2021 (audited)
VAT receivables	4,760,013	5,256,443
Prepaid expenses (Medical, Insurance, and utilities)	2,277,635	4,123,219
Due from the recovery of the purchase of land (Note5)	3,377,204	3,377,204
Accrued rental income	1,919,502	1,784,983
Letter of guarantee	1,125,916	1,125,916
Receivables staff	682,214	761,121
Accrued interest	159,898	84,892
Fishers' receivables	40,661	75,406
Others	1,208,867	2,785,261
	15,551,909	19,374,445
Impairment of receivables and other debit balances	(4,606,144)	(4,606,144)
	10,945,765	14,768,301

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022
(All amounts in Saudi Riyals unless otherwise stated)

6.1-PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

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

	31 March 2022 (Unaudited)	31 December 2021 (audited)
Balance beginning of the period / year	4,606,144	4,633,936
Charged during the period / year	--	1,228,940
Write off during period / year	--	(1,256,732)
Balance end of the period / year	4,606,144	4,606,144

7-BIOLOGICAL ASSETS

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance beginning of the period / year	21,860,518	974,745
Change in the cost of biological assets	(15,595,276)	(974,745)
Cost of producing new Shrimp	734,097	9,775,608
Cost of producing new Fish	6,634,033	--
Change in quantity and/or quality attributable to price changes	3,836,813	12,084,910
Balance end of the period / year	17,470,185	21,860,518

8-FINANCIAL ASSETS CARRIED AT AMORTIZED COST

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the year	95,000,000	170,000,000
Placements during the year	--	95,000,000
Matured during the year	(15,000,000)	(170,000,000)
Balance at the end of the year	80,000,000	95,000,000

The financial assets carried at amortized cost represents, time deposit placements with local strong credit rated financial institution. The average yield on the placements ranges from 0.8-1.8% (2021: 0.7-0.85%). The placements include SR 15 million (2021: 170 million) deposits with an original maturity of less than three months and are accordingly classified under cash and cash equivalents.

The remaining placement amounting to SR 80 million (2021:150 million) are with an original maturity of more than three months and mature within 12 months. The management of the Company has assessed the impact of credit loss on these placements, whereby considering the short maturity combined with the credit rating of the financial institution the impact of credit loss was not material to be recorded in these financial statements.

Cash and Cash equivalents for cashflow purpose:-

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Cash on Hand	--	2,800,452
Cash In Bank	6,096,172	2,532,442
Time deposits with original maturity of less than three months	--	15,000,000
	6,096,172	20,332,894

SAUDI FISHERIES COMPANY**(A Saudi Joint Stock Company)****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022****(All amounts in Saudi Riyals unless otherwise stated)****9-BORROWINGS**

The Company obtained an interest-free loan in the amount of SR 7 million from the Saudi Agricultural Development Fund on 21/11/1430 corresponding to 8 November 2009. The total facility amounts to SR 12 million for the purpose of financing the shrimp cultivation and breeding project, in return for a mortgage for lands owned by the Company in Qatif and Al Khobar at their book values in the amount of SR 1 and 2 million respectively. The Company also obtained the second installment of these facilities amounting to SR 3 million .

	31 March 2022	31 December 2021
	(Unaudited)	(Audited)
Agricultural Development Fund loan	4,722,800	4,722,800
Current	1,418,480	1,418,480
Non-current	3,304,320	3,304,320
	4,722,800	4,722,800

	31 March 2022	31 December 2021
	(Unaudited)	(Audited)
As 1 January	6,141,280	6,141,280
Charge during the year	--	--
Payment during the year	(1,418,480)	(1,418,480)
As 31 December	4,722,800	4,722,800

	31 March 2022	31 December 2021
	(Unaudited)	(Audited)
Governmental grants	1,166,987	1,166,987

Government grants represent the difference between the loan value as at March 31, 2022 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.

10-RELATED PARTIES' TRANSACTIONS 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:

	31 March 2022		31 March 2021	
	(unaudited)		(unaudited)	
	BOD	Executive	BOD members	Executive
	members and	Management	and	Management
	committees		committees	
Salaries, wages and equivalents, board attendance allowances, and board members' bonuses.	510,500	585,000	293,100	576,000

SAUDI FISHERIES COMPANY**(A Saudi Joint Stock Company)****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022****(All amounts in Saudi Riyals unless otherwise stated)****11-PROVISION FOR ZAKAT**

The movement in the provision for zakat is as follows:

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at the beginning of the period/year	7,572,018	6,544,958
Provided during the period/year	600,000	2,946,539
Payment during the period/year	(328,678)	(1,919,479)
Balance at the end of the period/year	7,843,340	7,572,018

11-1-STATUS OF ASSESSMENTS

1. Zakat return for the year ended 31 December 2021 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 2023.
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.

12-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 (31 March 2021: 40,000,000 shares).

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Loss of the period	(15,510,219)	(9,479,053)
Weighted average number of shares outstanding during the period / year	40,000,000	40,000,000
Losses per share	(0.39)	(0.24)

13-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.

SAUDI FISHERIES COMPANY**(A Saudi Joint Stock Company)****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022****(All amounts in Saudi Riyals unless otherwise stated)****13-SEGMENT INFORMATION (CONTINUED)**

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

31 March 2022	<u>Whole Sales</u>	<u>Retail</u>	<u>Others</u>	<u>Total</u>
Revenue	8,744,882	7,719,451	515,208	16,979,541
Cost of revenue	(12,961,493)	(11,441,620)	(763,631)	(25,166,744)
Gain / (loss) for fair value Biological Asset	1,976,053	1,744,340	116,420	3,836,813
Zakat	(309,015)	(272,779)	(18,206)	(600,000)
NET LOSS FOR THE PERIOD	(7,988,145)	(7,051,449)	(470,625)	(15,510,219)

31 March 2021	<u>Whole Sales</u>	<u>Retail</u>	<u>Others</u>	<u>Total</u>
Revenue	1,536,559	8,968,952	1,507,751	12,013,262
Cost of revenue	(1,484,766)	(8,666,631)	(1,456,929)	(11,608,326)
Gain / (loss) for fair value Biological Asset	-	-	-	-
GROSS PROFIT	51,793	302,320	50,822	404,936
NET LOSS FOR THE PERIOD	(1,246,954)	(7,278,517)	(1,223,582)	(9,749,053)

SAUDI FISHERIES COMPANY**(A Saudi Joint Stock Company)****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022****(All amounts in Saudi Riyals unless otherwise stated)****14-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.

31 March 2022 (Unaudited)	Fair value Level			Total
	1	2	3	
FINANCIAL ASSET				
Financial assets at fair value Through profit or loss	-	33,545	-	33,545
Gain on fair valuation of biological asset	-	-	3,836,813	3,836,813
31 December 2021 (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.

SAUDI FISHERIES COMPANY
(A Saudi Joint Stock Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2022
(All amounts in Saudi Riyals unless otherwise stated)

15-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 31 March 2022, 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.

16- SUBSEQUENT EVENT

Referring to the company's announcement dated on 19-10-2021 AD regarding the signing of a memorandum of understanding with the Arabian Agricultural Services Company (ARASCO).Subsequent to the period ended the company announced the extension of the memorandum of understanding for a period of three months commencing from 20-04-2022 AD to 19-07-2022 AD with the same agreed terms and conditions.

17-DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements were approved and authorized for issue on May 2022 (corresponding to Shawl 1443H) by the Audit of committee under an authorization of the Board of Directors of the Company.