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**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE THREE-MONTH ENDED 31 MARCH 2024**

**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024**  
**TOGETHER WITH REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

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## 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 31 March 2024, and condensed interim statements of profit or loss and other comprehensive income changes in shareholders' equity and cash flows for the three month periods then ended, and 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 at 31 March 2024, the net book value of property, plant and equipment, capital work in progress and right-of-use assets (collectively referred to as "assets") was disclosed in the Company's statement of financial position as SR 110.09 million and SR 26.56 million. And an amount of SR 12.07 million, respectively. Due to the significant decrease in cash generated from fish and shrimp farm sales and other business operations and the accumulated losses incurred by the Company in the current period and previous years, the Company's management carried out an impairment assessment on its assets as at 31 March 2024, by comparing the carrying values of the assets with the recoverable amount. As a result of the company's management's evaluation, it concluded that there is no need to record an additional impairment provision for its assets as at 31 March 2024. We examined and tested the fundamental judgments, assumptions and estimates used by the company's management, including determining the appropriate valuation methodologies. According to our view, some of the material assumptions and sources of information or inputs used in calculating the recoverable amount were not supported on a reasonable basis, and if the company's management had used reasonably supported assumptions and sources of information, some elements in the accompanying condensed interim financial statements and related disclosures could have been materially affected. The effects on the condensed interim financial statements have not been determined..
2. As indicated in Note No. (6) 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 12.9 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 change in fair value of fish in the condensed interim statement of profit or loss and other comprehensive income for the three month periods ended 31 March 2023, we have not been able to implement the actions we deem necessary.



**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 qualified conclusion 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 net loss amounting to SR 8.96 million for the period ended in 31 March 2024, and the accumulated losses for the company have reached to SR 265 million as at that date which representing 66% of the share capital. In addition as at 31 March 2024 the current liabilities has exceed the current assets amounting SR 50 million. As stated in the note (2.5) These events and circumstances indicate that there is a material uncertainty about 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 for the period ended 31 March 2023 were reviewed by another auditor who expressed a modified conclusion on those condensed interim financial statements on 10 Dhul-Qi'dah 1444H (corresponding 30 May 2023).



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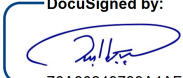
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 Riyadh, Kingdom of Saudi Arabia



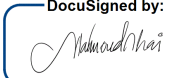
**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	Note	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment		110,088,185	112,454,522
Capital work in progress		26,559,484	26,559,484
Investment properties	5	40,296,616	40,296,616
Right-of-use assets		12,071,689	12,513,225
Investments carried at amortized cost	7	45,391,666	45,383,333
<b>Total non-current assets</b>		<b>234,407,640</b>	<b>237,207,180</b>
<b>Current assets</b>			
Inventories		8,945,096	9,074,562
Biological assets	6	2,155,480	2,035,352
Trade receivables		5,673,952	4,811,078
Prepayments and other receivables		15,000,398	15,504,930
Investments carried at FVTPL		20,155	20,155
Cash and bank balances		586,762	3,087,011
<b>Total current assets</b>		<b>32,381,843</b>	<b>34,533,088</b>
<b>TOTAL ASSETS</b>		<b>266,789,483</b>	<b>271,740,268</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	1	400,000,000	400,000,000
Accumulated losses		(264,980,815)	(256,023,721)
Actuarial Reserve		816,740	816,740
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>135,835,925</b>	<b>144,793,019</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings – non-current portion	8	32,486,333	32,465,339
Employees' post-employment benefits		4,867,780	4,883,597
Lease liabilities		11,258,902	11,198,981
<b>Total non-current liabilities</b>		<b>48,613,015</b>	<b>48,547,917</b>
<b>Current liabilities</b>			
Long-term borrowings - current portion	8	12,246,472	12,293,462
Trade and other payables		35,708,549	32,365,455
Shareholder's compensation to priority right shares		13,412,698	13,414,275
Lease liabilities – current portion		5,784,545	5,737,861
Provision for zakat	9	15,188,279	14,588,279
<b>Total current liabilities</b>		<b>82,340,543</b>	<b>78,399,332</b>
<b>TOTAL LIABILITIES</b>		<b>130,953,558</b>	<b>126,947,249</b>
<b>TOTAL SHAREHOLDER EQUITY AND LIABILITIES</b>		<b>266,789,483</b>	<b>271,740,268</b>

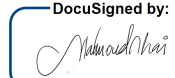
Authorized Member of the Board of Directors

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Chief Executive Officer

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Chief Financial Officer

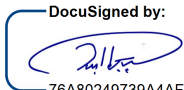
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The accompanying notes 1 to 18 form part of these condensed interim financial statements.

**SAUDI FISHERIES COMPANY****(A Saudi Joint Stock Company)****CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTH ENDED 31 MARCH 2024****(All amounts in Saudi Riyals unless otherwise stated)**

	Note	For the three-month period ended 31 March	
		2024 (Unaudited)	2023 Restated (Unaudited) (Restated)
Sales		9,129,598	11,597,964
Cost of Sales		(11,090,528)	(11,297,492)
Loss on fair value of biological asset	6	(827,768)	-
Gross (loss) / profit for the period		(2,788,698)	300,472
Selling and distribution expenses		(3,035,877)	(7,637,198)
General and administrative expenses		(3,158,028)	(4,358,338)
Reversal expected credit loss		-	800,585
Other revenue	11	1,427,253	12,148,035
Operating (loss) / profit		(7,555,350)	1,253,556
Finance cost		(801,744)	(683,562)
(Loss) / profit before zakat		(8,357,094)	569,994
Zakat	9	(600,000)	(550,000)
Total comprehensive (loss) / income		(8,957,094)	19,994
Basic and diluted (loss) / earning per share	12	(0.224)	0.001

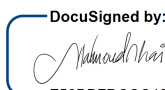
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**Authorized Member of the Board of Directors**

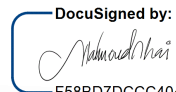
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**Chief Executive Officer**

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**Chief Financial Officer**

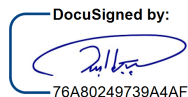
The accompanying notes 1 to 18 form part of these condensed interim financial statements.

**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

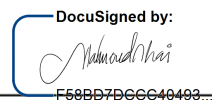
<u>For the three-month period ended</u> <u>31 March 2023</u>	Note	Share capital	Accumulated losses	Actuarial reserve	Total
Balance as at 1 January 2023, as presented before		400,000,000	(197,419,153)	385,947	202,966,794
Restatement Impact	16	-	32,833,843	-	32,833,843
Restated Balance as at 1 January 2023 (Audited) (Restated)		400,000,000	(164,585,310)	385,947	235,800,637
Total comprehensive income (Restated)	16	-	19,994	-	19,994
Balance as at 31 March 2023 (Unaudited) (Restated)		400,000,000	(164,565,316)	385,947	235,820,631

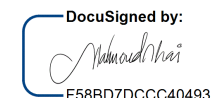
<u>For the three-month period ended</u> <u>31 March 2024</u>					
Balance as at 1 January 2024 (Audited)		400,000,000	(256,023,721)	816,740	144,793,019
Total comprehensive loss		-	(8,957,094)	-	(8,957,094)
Balance as at 31 March 2024 (Unaudited)		400,000,000	(264,980,815)	816,740	135,835,925

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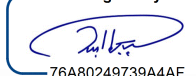
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**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	31 March 2024 (Unaudited)	31 March 2023 (Unaudited) (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / profit before zakat	(8,357,094)	569,994
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	2,373,888	2,402,502
Depreciation of right-of-use assets	441,536	505,690
Provision for employee's post-employment benefits	178,689	376,843
Loss on fair valuation of biological asset	827,768	-
Finance cost	801,744	683,562
Impairment of inventories	-	2,783,740
Reversal of expected credit Loss	-	(800,585)
Income from investment at amortized cost	(595,833)	(828,163)
<b>Change in working capital</b>		
Inventory	129,466	(7,442,365)
Biological assets	(947,896)	579,831
Trade receivables	(862,874)	(1,958,208)
Prepayments and other assets	504,532	(9,179,595)
Trade and other payables	3,343,094	(5,886,181)
<b>Cash used in operating activities</b>	<b>(2,162,980)</b>	<b>(18,192,935)</b>
Zakat paid	-	(1,618,344)
Employees post-employment benefits paid	(194,506)	(594,809)
<b>Net cash flow used in operating activities</b>	<b>(2,357,486)</b>	<b>(20,406,088)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7,551)	(520,986)
Additions to capital work in progress	-	(529,631)
Interest income investment at amortized cost	587,500	1,013,819
Redemption of investments at amortized cost	-	24,000,000
<b>Cash flow generated from investing activities</b>	<b>579,949</b>	<b>23,963,202</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change of short-term borrowings	-	(913,137)
Change of long-term borrowings	-	4,470,490
Finance cost paid	(671,303)	(497,819)
Shareholder's compensation and subscription to priority right shares paid	(1,577)	-
Lease liabilities paid	(49,833)	(412,778)
<b>Cash flows (used in) / generated from financing activities</b>	<b>(722,713)</b>	<b>2,646,756</b>
<b>Net change in cash and cash equivalents during the period</b>	<b>(2,500,250)</b>	<b>6,203,870</b>
Cash and cash equivalents as at the beginning of the period	3,087,011	1,853,173
<b>Cash and cash equivalents at the end of the period</b>	<b>586,761</b>	<b>8,057,043</b>

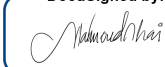
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Authorized Member of the Board of Directors

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Chief Executive Officer

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Chief Financial Officer

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



(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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 9 Jumada Al-Awwal 1401H corresponding to 14 March 1981.

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

Branch name	Commercial Registration No	Place of issue	Date
Jizan	5900001712	Jizan	22 Dhul Hijjah 1401 H
Riyadh	1010042732	Riyadh	22 Rabi Al-Awwal 1402 H
Jeddah	4030041385	Jeddah	13 Rabi Al-Awwal 1404 H
Rijal Almada- Al-Huraidah	5861023704	Abha- Rijal Alma'a	18 Rabi Al-Awwal 1424 H
Onaizah	1128184612	Onaizah	22 Shawal 1431 H
Dammam	2050010531	Dammam	8 Jamada Al-Awwal 1401 H
Jizan 2	5900129772	Jizan	15 Muharah 1443 H
Dammam 2	2050145614	Dammam	21 Shawal 1442 H

**2. BASIS OF PREPARATION****2.1. Statement of compliance**

These condensed financial statements of the Company have been prepared in accordance with International Accounting Standard 34 ("IAS 34") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and professional Accountants ("SOCPA") and should be read in conjunction with the company last annual Financial Statements for the year ended 31 December 2023, These do not include all of the information normally 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 financial position and performance since last financial statement for the company.

Results for the three month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024.

**2.2. Basis of measurement**

These condensed financial statements have been prepared in accordance with the historical cost basis, except for the following:

- Equity investment at FVTPL is measured at fair value.
- Investment at amortized cost.
- Investment properties are measured at fair value.
- Biological assets is measured at fair value.
- Employees' post-employment benefits recognized at the present value of future obligations using the Projected Unit Credit 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.



**(A Saudi Joint Stock Company)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023****(All amounts in Saudi Riyals unless otherwise stated)**

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**2. BASIS OF PREPARATION (CONTINUED)****2.4. Use of Judgments and Estimates**

In preparing these Condensed Interim 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. Actual results may differ from these estimates.

The significant judgments made by management in applying the company accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual Financial Statement

**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 reported a net loss of SAR 8.96 million for the three month period ended 31 March 2024, indicating uncertainty regarding the Company's ability to manage liquidity, in addition the Company reported accumulated losses as of 31 March 2024 amounting to SR 265 million (31 December 2023: SR 256 million) representing 66% (December 31, 2023: 64%) 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:

**Capital Restructuring:** To ensure compliance with regulatory requirements the Company's board of members has approved the restructuring of the company's capital to offset accumulated losses by the cancellation of 66% shares of the company's stock. It will not only maintain compliance with regulatory requirements but also improve the company's overall financial position by improving solvency ratios.

The company is actively engaged in executing a comprehensive turnaround plan under the direct supervision of the Board of Directors. This initiative is designed to address the current financial challenges and operational inefficiencies, with the goal of restoring financial stability and ensuring sustainable growth. The Board's involvement signifies a high level of commitment and oversight, aiming to implement strategic measures that will effectively reverse the company's fortunes and secure its position as a going concern. This plan includes a range of actions, from

cost reduction and revenue enhancement to asset optimization and strategic partnerships, all tailored to navigate the company through its present difficulties and pave the way for long-term success.

**Cashflow Optimization Strategies:**

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. Moreover, this initiative will improve the company's cash flow from operations because of a heightened focus on trade backed by the strategic partnership with Naqua.

In Q2 2024, the company is confident in securing bridge financing bolstering its capability to fulfill short-term obligations.

**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.

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023**

(All amounts in Saudi Riyals unless otherwise stated)

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

**2.5. Going concern (Continued)**

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.

Based on the outlined 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.

**3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

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 31 December 2023.

**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 2024 and the details of the same has been explained in annual financial statements for the period ended 31 December 2023, but they do not have a material effect on the Company's interim condensed financial statements.



(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023**

(All amounts in Saudi Riyals unless otherwise stated)

**5. INVESTMENT PROPERTIES**

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

	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Fair value at the beginning of the period / year	40,296,616	40,566,305
Net fair value gain on investments properties	-	5,809,879
Disposal of Riyadh Land	-	(6,079,568)
Fair value at the end of the period / year	40,296,616	40,296,616

The management also did not estimate the fair value of real estate investments as of 31 March 2023, and the fair value of investment properties was relied upon based on the evaluation that took place during the period ending on December 31, 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 31 March 2024.

The carrying amount and fair values of the lands as of 31 March 2024 is presented below:

Location	Purpose	Book value	Valuation Technique	Fair Value Amount
Al-Khobar Land (Note 5.1)	Rental	6,888,735	Income Approach – Capitalization Method	6,888,735
Onezah Land	Capital Appreciation	298,800	Market Approach	298,800
Abu Arish (Note 5.2) Land	Rental	33,109,081	Income Approach – Remaining Value	33,109,081
		<u>40,296,616</u>		<u>40,296,616</u>

Taking into considering the valuation technique and key inputs utilized by the valuers, the valuations are categorized at Level 3 of the fair value hierarchy of IFRS 13.

5.1. 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.

5.2. 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.

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

	31 March 2024	31 December 2023	License number
Name of valuer	1. Amaken Valuation Company 2. Value Experts	1. Amaken Valuation Company 2. Value Experts	1210000040 1210000027
Valuer's qualifications	Licensed (TAQEEM).	Licensed (TAQEEM).	

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.

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**6. BIOLOGICAL ASSETS**

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<u>At fair value</u>		
- Fish	2,155,480	2,035,352
	2,155,480	2,035,352

	31 March 2024	31 December 2023
	Shrimps (At fair value)	Fish (At fair value)
Carrying amount at 1 January	-	2,035,352
Additions due to purchases during the year	-	382,112
Shared overheads	-	565,784
Transfers to inventories	-	-
Loss arising from changes in fair value less cost to sell	-	(827,768)
Carrying amount at 31 December	-	2,155,480

	31 December 2023
	Shrimps (At fair value)
	3,022,858
	4,471,337
	13,651,257
	(8,618,362)
	(12,527,090)
	-

The company assessed the fair value of the fish starting from the third quarter of 2023 in accordance with International Accounting Standard 41 "Agriculture". The company's management was also unable to conduct a physical count of the fish as of 31 December 2022 due to the lack of a tools to verify the quantities of fish in the sea, and therefore Management was unable to reach the fair value of the fish as at that date and was also unable to access the relevant financial information relating to the change in the fair value of the fish in the interim condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2023. which can be measured reliably.

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 3 of the fair value hierarchy of IFRS 13.

**7. INVESTMENTS AT AMORTIZED COST**

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Restricted deposit at bank *	45,000,000	45,000,000
Accrued interest	391,666	383,333
	45,391,666	45,383,333

**Maturity date:**

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Current portion	-	-
Non-current portion	45,391,666	45,383,333
	45,391,666	45,383,333

\* The Company has placed these funds in restricted deposit against the bank loan . The Company also earns a profit on these balances. The average yield on the restricted cash deposits ranges from 3.49% – 5.60%. (31 December 2022: 3.49% – 5.60%.)



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**8. LONG TERM LOANS**

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Interest Bearing Loan	39,833,315	39,812,321
Zero-interest loan	4,071,498	4,071,498
Accrued finance cost	827,992	874,982
	<u>44,732,805</u>	<u>44,758,801</u>
<b>Maturity date</b>		
Non-current portion	32,486,333	32,465,339
Current portion	<u>12,246,472</u>	<u>12,293,462</u>
	<u>44,732,805</u>	<u>44,758,801</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. The loan is repayable beginning March 31, 2024 and ending December 31, 2027, and this loan The loan is secured by an investment in the amortized cost, note (7). The loan includes financial covenants. The management monitors the fulfillment of commitments on a regular basis, and in the event of a breach expected to occur in the future. the necessary measures are taken to ensure compliance
- 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 2026. 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, the loan from Saudi Agricultural Development Fund for agricultural 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 6.6 million (within investment properties), respectively.

**9. PROVISION FOR ZAKAT**

The movement in the provision for zakat is as follows:

	31 Mar 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period / year	14,588,279	7,859,107
Charged during the period / year	600,000	8,347,516
Paid during the period / year	-	(1,618,344)
Balance at the end of the period / year	<u>15,188,279</u>	<u>14,588,279</u>

**9.2. Status of Assessment**

Zakat return for the year ended 31 December 2023 has been filed and are under review with the Zakat, Tax and Customs Authority ("ZATCA").

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.



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**10. 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:

**10.1. Transactions during the Period**

Name of Related Party	Nature of Relationship	Nature of transactions	For the three-month period ended 31 Mar 2024 (Unaudited)	For the three month period ended 31 Mar 2023 (Unaudited)
Key management personnel	Board members	Board remuneration	482,000	562,884
	Key executive employees	Salaries, wages and other allowances	646,963	848,486
National Bank of Bahrain	One of the members of the Board of Directors - Chief Executive Officer in KSA	Finance cost on borrowings	-	41,773
		Repayment of borrowing	-	(5,000,000)
Naqua	One of the members of the Board of Directors - Chief Executive Officer in KSA	Purchases	6,689,718	409,082

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

Name of related party	Nature of relationship	Nature of Balance	31 Mar 2024 (Unaudited)	31 December 2023 (Audited)
Key management personnel	Board members	Board remuneration *	4,006,398	3,416,898
	Key executive employees	Salaries, wages and other allowances *	646,963	3,918,928
		Employees Post-Employment Benefit	-	163,156
Naqua	One of the members of the Board of Directors - Chief Executive Officer in KSA	Purchases	7,937,138	5,389,719

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

**11. OTHER REVENUE**

	Note	For the three-month period ended 31 Mar 2024 (Unaudited)	For the three-month period ended 31 Mar 2023 (Unaudited)
Income from investment in amortized cost		595,833	828,163
Rental income		343,001	457,500
Government grant	10.1	250,910	826,746
Reimbursement of Jeddah building		-	8,971,782
Others		237,509	1,063,844
		<u>1,427,253</u>	<u>12,148,035</u>

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

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**12. BASIC AND DILUTED (LOSS) / GAIN 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 31 March 2024, which amounted to 40,000,000 shares (31 March 2023: 40,000,000 shares).

	For the three- month period ended 31 Mar 2024 (Unaudited)	For the three- month period ended 31 Mar 2023 (Unaudited)
Net loss of the period	(8,957,094)	19,994
Weighted average number of shares outstanding during the period	40,000,000	40,000,000
loss per share (SAR)		
-Basic	(0.224)	0.001
-Diluted	(0.224)	0.001

**13. SEGMENT INFORMATION**

The Company's principal business activities involve farming, retail and wholesale of sea food. Selected financial information as at 31 March 2024 and 31 March 2023, 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.

**For the three-month period ended 31 March 2024 - (Unaudited)**

	Farm	Retail	Wholesale	Total
Sale				
Sale	1,028,293	1,631,155	6,470,150	9,129,598
Expenses	(4,734,855)	(2,526,791)	(10,022,787)	(17,284,433)
loss for fair value biological asset	(827,768)	-	-	(827,768)
Other revenue	160,757	255,002	1,011,494	1,427,253
	(5,401,866)	(2,271,789)	(9,011,293)	(16,684,949)
<b>OPERATING LOSS</b>	(4,373,573)	(640,634)	(2,541,143)	(7,555,350)
Finance cost	(90,303)	(143,245)	(568,196)	(801,744)
<b>NET LOSS BEFORE ZAKAT</b>	(4,463,876)	(783,879)	(3,109,339)	(8,357,094)
Zakat	(67,580)	(107,200)	(425,220)	(600,000)
<b>NET LOSS FOR THE YEAR</b>	(4,531,456)	(891,079)	(3,534,559)	(8,957,094)
<b>As at 31 March 2024</b>				
Total Assets	253,450,992	1,403,169	11,935,322	266,789,483
Total Liabilities	86,307,472	11,538,315	33,107,771	130,953,558



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**13. SEGMENT INFORMATION (CONTINUED)**

For the three-month period ended 31 March 2023 - (Unaudited)

	Farm	Retail	Wholesale	Total
Sales				
Sales	3,469,040	3,957,084	4,171,840	11,597,964
Expenses	(7,819,777)	(7,081,333)	(7,591,333)	(22,492,443)
Other revenue	3,633,570	4,144,762	4,369,703	12,148,035
	(4,186,207)	(2,936,571)	(3,221,630)	(10,344,408)
<b>OPERATING LOSS</b>	(717,167)	1,020,513	950,210	1,253,556
Finance cost	(204,459)	(233,223)	(245,880)	(683,562)
<b>NET LOSS BEFORE ZAKAT</b>	(921,626)	787,290	704,330	569,994
Zakat	(164,509)	(187,653)	(197,838)	(550,000)
<b>NET LOSS FOR THE YEAR</b>	(1,086,135)	599,637	506,492	19,994
<b>As at 31 March 2023</b>				
Total Assets	254,547,775	38,610,413	47,300,149	340,458,337
Total Liabilities	59,687,788	21,816,750	23,133,168	104,637,706

**14. 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.

	Book value	Fair value Level			
31 March 2024 - (Unaudited)		Level 1	Level 2	Level 3	Total
<b>FINANCIAL ASSET</b>					
Financial assets at fair value Through profit or loss	20,155	20,155	-	-	20,155
Biological assets	2,155,480	-	-	2,155,480	2,155,480
Investment properties	40,296,616	-	-	40,296,616	40,296,616



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**14. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

	Book value	Fair value Level			
31 December 2023 - (Audited)		Level 1	Level 2	Level 3	Total
FINANCIAL ASSET					
Financial assets at fair value Through profit or loss	20,155	20,155	-	-	20,155
Biological assets	2,035,352	-	-	2,035,352	20,664,638
Investment properties	40,296,616	-	-	40,296,616	31,850,909

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

**15. 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 31 March 2024, 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.

**16. RESTATEMENTS AND EFFECT OF AMENDMENDING THE CONDENSED INTERIM FINANCIAL STATEMENTS**

The management has corrected the error identified in the calculation of lease contracts resulting from the inaccuracy of applying International Accounting Standard No. 16 "Lease Contracts", and accordingly each item of the affected interim condensed financial statements for the period ending on 31 March 2023 has been amended in accordance with International Accounting Standard No. 8, "Accounting policies, changes in accounting estimates, and errors." The following table summarizes the impact of the amendment on the interim condensed financial statements:

**The impact of the amendment on the statement of changes in initial condensed shareholders' equity as of 1 January 2023:**

	Previously Recorded Amounts 1 January 2023	Adjustment Impact	Balance After Adjustment
Accumulated Losses	(197,419,153)	32,833,843	(164,585,310)

**Impact of the amendment on the interim condensed statement of profit or loss and other comprehensive income for the three-month period ending 31 March 2023:**

	Previously Recorded Amounts 31 March 2023	Adjustment Impact	Balance After Adjustment
Other Income	13,026,920	(878,885)	12,148,035
Total comprehensive income	898,879	(878,885)	19,994
Basic and diluted loss per share	0.022	(0.022)	0.001

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**16. RESTATEMENTS AND EFFECT OF AMENDMENDING THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (Continued)**

Impact of the amendment on the interim condensed statement of cash flows for the three-month period ending March 31, 2023:

	Previously Recorded Amounts March 31, 2023	Adjustment Impact	Balance After Adjustment
Net cash flows used in operating activities	(20,831,320)	425,232	(20,406,088)
Cash flows collected from financing activities	3,071,988	(425,232)	2,646,756

**17. SUBSEQUENT EVENTS**

During the subsequent period the Board recommended restructuring the company's capital to offset losses by cancelling 26,480,000 shares of stock, accounting for 66% of total capital. to be the new capital 135,200,000 SAR Instead of 400,000,000 SAR, with 13,520,000 shares.

**18. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were approved and authorized for issue on 10 Dhu'l-Qi'dah 1445H (18 May 2024) by the Audit Committee under the authorization of the Board of Directors of the Company.