JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT-STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
WITH INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT-STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

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INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

To\ the Shareholders
JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**, a Saudi Joint-Stock Company ("the Company"), and its subsidiary together (collectively referred to as "the Group") as of 31 March 2021. and the condensed consolidated interim statements of profit or loss and other comprehensive income, the statement of changes in equity, statement of cash flows for the three months period ended on that date and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of these condensed consolidated Interim financial statements in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (2410), "Review of condensed consolidated interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of 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, as 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 condensed consolidated interim financial statements as of 31 March 2021, are not prepared in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia.

Allied Accountants
Dr Abdelgadir Bannaga & Partners Co.

Mohammed Bin Farhan Bin Nader
License No. 435

Riyadh, Saudi Arabia
7 Shawwal 1442 H (May 19, 2021)

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Dr. Abdelgadir Bannaga & Partners Company
Certified Public Accountants
Allied Accountants

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT-STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF 31 MARCH 2021

	Note	31 March 2021 SAR (Unaudited)	31 December 2020 SAR (Audited)
Assets			
Non-current assets			
Property, plant and equipment, net		**216,329,200**	217,734,066
Investment properties, net		**231,172,215**	231,735,220
Investments in subsidiaries	5	**1,000,000**	1,000,000
Investments in associates, net	6	**19,807,593**	19,154,139
Financial investments at fair value through OCI	7	**42,000,000**	42,000,000
Intangaible assets, net		**4,068,203**	4,389,725
Total non-current assets		**514,377,211**	516,013,150
Current assets			
Biological assets		**7,695,304**	12,083,167
Inventory, net	8	**23,498,203**	23,078,433
Due from a related party		**44,313**	-
Financial investments at fair value through profit or loss	9	**515,686**	515,686
Accounts receivable, prepaid expenses and other debtors, net		**52,436,895**	42,742,725
Cash and cash equivalents		**4,617,304**	6,427,154
Total current assets		**88,807,705**	84,847,165
Total assets		**603,184,916**	600,860,315
Equity and Liabilities			
Shareholders equity			
Share capital	1	**500,000,000**	500,000,000
Statutory reserve	10	**85,409,994**	85,409,994
Reserve for revaluation of financial investments at FVTOCI	7	**(3,000,000)**	(3,000,000)
Accumulated losses		**(56,252,943)**	(58,437,370)
Equity of the shareholders of the parent company		**526,157,051**	523,972,624
Non-controlling interests		**1,465,707**	1,403,098
Total equity		**527,622,758**	525,375,722
Liabilities			
Non-current liabilities			
Long term loans - non-current portion	11	**4,074,975**	4,074,975
Employees' defined benefit plan obligations		**8,728,258**	8,544,701
Total non-current liabilities		**12,803,233**	12,619,676
Current liabilities			
Long term loans - current portion	11	**9,861,558**	11,961,557
Due to a related party		**-**	255,687
Distributions of shareholders' entitlements		**5,711,869**	5,711,869
Commitment against the loan guarantee of an associate	12	**14,619,841**	14,619,841
Accounts payable, accrued expenses, and other creditors		**17,746,713**	15,907,732
Zakat provision		**14,818,944**	14,408,231
Total current liabilities		**62,758,925**	62,864,917
Total liabilities		**75,562,158**	75,484,593
Total equity and liabilities		**603,184,916**	600,860,315

The accompanying notes (1) to (19) form an integral part of these condensed consolidated interim financial statements.

Financial Manager	Chief Executive Officer	Chairman of Board of Directors
Abdul Ilah Melhem Al-Mafeez	Baddour Nasser Al-Rashoudi	Ahmed Mohammed Al-Sanea

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT-STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

		(Consolidated) For the three months period ended 31 March	(Unconsolidated)
		2021 SAR (Unaudited)	2020 SAR (Unaudited)
Profit or loss	Note		
Revenues		**23,176,937**	22,590,101
Cost of revenues		**(16,684,157)**	(16,636,734)
Gross profit		**6,492,780**	5,953,367
Selling and marketing expenses		**(1,217,844)**	(1,291,883)
General and administrative expenses		**(3,479,850)**	(3,306,777)
Operating profit		**1,795,086**	1,354,707
Finance costs		**(99,862)**	(331,098)
Provision for expected credit loss		-	(100,000)
Group's share in the profit of the associate	6	**495,692**	-
Other income		**309,071**	-
Net profit for the period before zakat		**2,499,987**	923,609
Zakat		**(410,713)**	(400,000)
Net profit for the period		**2,089,274**	523,609
Other comprehensive income			
Items that will not subsequently be reclassified to profit or loss			
Group's share of other comprehensive income of the associate	6	**157,762**	-
Total comprehensive income for the period		**2,247,036**	523,609
Net profit for the period attributable to:			
Shareholders of the parent company		**2,026,665**	523,609
Non-controlling interests		**62,609**	-
Net profit for the period		**2,089,274**	523,609
Total comprehensive income for the period attributable to:			
Shareholders of the parent company		**2,184,427**	523,609
Non-controlling interests		**62,609**	-
Total comprehensive income for the period		**2,247,036**	523,609
Earnings per share	13		
Basic and diluted earning share in net profit for the period		**0,04**	0,01

The accompanying notes (1) to (19) form an integral part of these condensed consolidated interim financial statements.

Financial Manager	Chief Executive Officer	Chairman of Board of Directors
Abdul Ilah Melhem Al-Mafeez	Baddour Nasser Al-Rashoudi	Ahmed Mohammed Al-Sanea

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT-STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

	Shareholders Equity						
	Share capital SAR	Statutory reserve SAR	Reserve for revaluation of financial investments at FVOCI SAR	Accumulated losses SAR	Equity of the shareholders of the parent company SAR	Non-controlling interests SAR	Total equity SAR
Balance as of 1 January 2020 (Unconsolidated) (Audited)	500,000,000	85,409,994	(3,972,833)	(41,966,055)	539,471,106	-	539,471,106
Net profit for the period	-	-	-	523,609	523,609	-	523,609
Balance as of 31 March 2020 (Unconsolidated) (Unaudited)	500,000,000	85,409,994	(3,972,833)	(41,442,446)	539,994,715	-	539,994,715
Balance as of 1 January 2021 (Audited)	**500,000,000**	**85,409,994**	**(3,000,000)**	**(58,437,370)**	**523,972,624**	**1,403,098**	**525,375,722**
Net profit for the period	-	-	-	**2,026,665**	**2,026,665**	**62,609**	**2,089,274**
Other comprehensive income	-	-	-	**157,762**	**157,762**	-	**157,762**
Total comprehensive income for the period	-	-	-	**2,184,427**	**2,184,427**	**62,609**	**2,247,036**
Balance as of 31 March 2021 (Unaudited)	**500,000,000**	**85,409,994**	**(3,000,000)**	**(56,252,943)**	**526,157,051**	**1,465,707**	**527,622,758**

The accompanying notes (1) to (19) form an integral part of these condensed consolidated interim financial statements.

Financial Manager	Chief Executive Officer	Chairman of Board of Directors
Abdul Ilah Melhem Al-Mafeez	Baddour Nasser Al-Rashoudi	Ahmed Mohammed Al-Sanea

JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)
(A SAUDI JOINT-STOCK COMPANY)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

	(Consolidated)	(Unconsolidated)
	For the three months period ended 31 March	
	2021 SAR (Unaudited)	2020 SAR (Unaudited)
Cash flows from operating activities		
Net profit for the period before zakat	**2,499,987**	923,609
Adjustments to reconcile net profit for the period before zakat:		
Depreciation of property, plant and equipment	**2,056,574**	1,916,368
Depreciation of investments properties	**790,505**	783,665
Amortization of intangible assets	**321,522**	-
Provision for expected credit loss	**-**	100,000
Group's share in the profit of the associate	**(495,692)**	-
Discounts of expedited payment from the Agricultural Development Fund	**(524,999)**	-
Provision for employees defined benefits plan obligations	**277,233**	284,839
Finance costs	**99,862**	331,098
	5,024,992	4,339,579
Changes in operating assets and liabilities:		
Inventory	**(419,770)**	4,181,767
Biological assets	**4,387,863**	-
Due from a related party	**(44,313)**	-
Accounts receivable, prepaid expenses, and other debtors	**(9,694,170)**	(8,015,751)
Due to a related party	**(255,687)**	-
Accounts payable, accrued expenses, and other creditors	**2,189,025**	(2,179,177)
Generated from /(used in) operations	**1,187,940**	(1,673,582)
Employees' defined benefits plan obligations paid	**(93,676)**	(634,530)
Finance costs paid	**(449,906)**	(331,098)
Net cash generated from /(used in) operating activities	**644,358**	(2,639,210)
Cash flows from investing activities		
Paid to purchase property, plant and equipment	**(651,708)**	(2,261,882)
Paid to purchase investments properties	**(227,500)**	(9,345)
Advance payments to purchase intangible assets	**-**	(2,941)
Net cash used in investing activities	**(879,208)**	(2,274,168)
Cash flows from financing activities		
Long-term loans paid	**(1,575,000)**	(1,794,452)
Net cash used in financing activities	**(1,575,000)**	(1,794,452)
Net change in cash and cash equivalents	**(1,809,850)**	(6,707,830)
Cash and cash equivalents at the beginning of the period	**6,427,154**	20,605,970
Cash and cash equivalents at end of the period	**4,617,304**	13,898,140

The accompanying notes (1) to (19) form an integral part of these condensed consolidated interim financial statements.

Financial Manager	Chief Executive Officer	Chairman of Board of Directors
Abdul Ilah Melhem Al-Mafeez	Baddour Nasser Al-Rashoudi	Ahmed Mohammed Al-Sanea

1- ORGANIZATION AND ACTIVITIES

Jazan Energy And Development Company (JAZADCO) was registered as a Saudi joint-stock company with Commercial Registration number 5900005403 issued in Jazan on 29 Safar 1414 H (corresponding to 17 August 1993). The Share Capital of the Company is SAR 500,000,000 divided into 50,000,000 shares with a nominal value of SAR 10.

The activities of the company in the cultivation of mangoes, the cultivation of shrimp in the seas, the preservation of fish and fish products by cooling or freezing, cooling and freezing of fruits, the production, and packaging of pure filtered water, hotels, and heritage hotels, the purchase and sale of land and real estate, their division, and off-plan sales activities.

A license was obtained to practice the company's activities as follows:

Authorization number	Date	City	Purpose
2852 / p	30 Dhu al-Qidah 1428 AH	Jazan	Producing healthy drinking water
5/3/6524	1 Safar 1425 H	Jazan	Shrimp breeding
5/3/6526	1 Safar 1425 H	Jazan	Shrimp breeding
1279	29 Rabi` II 1439 H	Sabya	Producing healthy drinking water
2210	13 Rajab 1438 H	Samtah	Frozen shrimp production

The condensed consolidated interim financial statements include the assets, liabilities, and results of the parent Company's operations and the below branch:

Branch name	CR No.	City	Activity
Jazadco Real Estate Company	5900011471	Jazan	Buying, selling, and renting land and real estate.
Jazadco Real Estate Company	5900114667	Jazan	Buying, selling, and renting land and real estate.
Jazan Development Company Factory for the production of healthy drinking water	5906016169	Sabya	Bottled drinking water in closed containers.
Branch of Jazan Development Company (JAZADCO)	5900016170	Jazan	Establishing fish farms and practicing fishing.
Branch of Jazan Development Company (JAZADCO)	5900016168	Jazan	Establishing agricultural nurseries and fruit seedlings.
Branch of Jazan Development Company (JAZADCO) for preparing, freezing, and packing shrimp	5907035800	Samtah	Preserving fish and importing feed.

The condensed consolidated interim financial statements as of 31 March 2021 include the activities of the parent company and the following subsidiary (the company and it is subsidiary company hereinafter referred to as the "Group").

Name of the subsidiary company	The main activity of the company	CR No.	Ownership percentage % 31 March 2021	Ownership percentage % 31 December 2020
Mango Jazan Trading Company	The main activities of the company are retail via the Internet.	5900022171	**65%**	65%

On 16 February 2020, the group acquired Mango Jazan Trading Company, therefore, these condensed consolidated interim financial statements are the first condensed consolidated interim financial statements prepared for the group.

As of 31 March 2021, the group has a subsidiary company, which is Fish Day Company for the sale of fish with an ownership percentage of 80%. The company's activity is in the wholesale of fish and aquatic organisms, retailing of fish and other seafood and their products, retailing via the Internet, and transporting chilled and frozen goods, According to the company's articles of association, its first financial statements are prepared as of 31 December 2021 (note 5), and therefore they have not been consolidated and the activities of that group have not appeared in these condensed consolidated interim financial statements.

The address of the company's head office is in Jazan, Corniche Road, PO Box 127, Kingdom of Saudi Arabia.

2- BASIS OF PREPARATION THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2-1 STATEMENT OF COMPLIANCE

The condensed consolidated Interim financial statements have been prepared in accordance with International Accounting Standard "34" "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants. These condensed consolidated Interim financial statements do not include all information and disclosures required to issue the complete set of financial statements Also, the results for the period ending 31 March 2021 are not necessarily indicative of the results that can be expected for the year ending 31 December 2021 (refer to note 4). It should also be read along with the latest financial statements for the year ended 31 December 2020. However, selected accounting policies and explanatory notes have also been included to explain important events and transactions to understand the changes in the financial position and financial performance of the company since 31 December 2020.

The Capital Market Authority has allowed listed companies to use the fair value model or the revaluation model to measure the property, and investment property Starting from 1 January 2022. It also obligated listed companies to continue to use the cost model to measure the property, plant and equipment, and intangible assets.

2-2 PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements have been prepared on a historical cost convention unless IFRS requires the use of another measurement basis, as indicated in the applied accounting policies (Note 4), and in accordance with the accrual principle and going concern.

2-3 FUNCTIONAL AND PRESENTATION CURRENCY

These condensed consolidated interim financial statements are presented in Saudi Riyals, which is the Group's functional and presentation currency.

2-4 BASIS OF CONSOLIDATION

These condensed consolidated interim financial statements include the condensed consolidated Interim statement of financial position, the condensed consolidated Interim statement of profit or loss and other comprehensive income, the condensed consolidated Interim statement of changes in equity, and the condensed consolidated Interim statement of cash flows as well as the notes complementing the condensed consolidated Interim financial statements of the group, as they include the assets, liabilities, and results of the group's business and its subsidiaries as well. It is shown in note (1). Subsidiaries are companies controlled by a group. The group controls the group when it has the right to various revenues as a result of its participation in the group and its ability to influence these revenues through its control of the group. Subsidiary companies are consolidated from the date on which the group controls the subsidiaries until the cessation of exercising that control. The group uses the purchase method to account for the consolidation of operations when control is transferred to the group. The cost of an acquisition is measured at the fair value of the assets acquired. The excess of the cost of acquisition plus the fair value of non-controlling interests over the net identifiable assets acquired is recognized as goodwill in the condensed consolidated Interim statement of financial position. Non-controlling interests are measured by the proportion of their share of the net assets of the controlling group at the date of acquisition. The share in profit or loss and net assets not owned by the group are presented and are presented as a separate item in the condensed consolidated Interim statement of profit or loss and other comprehensive income and within the shareholders' equity in the condensed consolidated Interim statement of other comprehensive income. Both transactions, as well as balances and unrealized profits and losses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are modified when necessary to ensure consistency with the policies adopted by the group. The Group and its subsidiaries prepare their financial statements for the same reporting periods.

Non-controlling interests

Non-controlling interests are measured at their proportionate share of net identifiable assets at acquisition date.

The change in the Group's interest in a subsidiary that does not result in a loss of control is accounted for as equity transactions.

The Group does not account for its indirect share in subsidiaries owned through investments in investee using the equity method. When calculating shares attributable to non-controlling interests, shares owned directly or indirectly by other subsidiaries are only taken into consideration.

2- BASIS OF PREPARATION THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

Loss of control

If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, noncontrolling interest, and other components of equity, while any resultant gain or loss is recognized in the condensed consolidated Interim statement of profit or loss. Any investment retained is recognized at fair value when control is lost.

Transactions eliminated when consolidating the financial statements

Balances, transactions, unrealized expenses, and income arising from transactions between Group companies are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only if there is no indication of impairment.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are no new standards issued, however, there are some amendments to standards which are effective from 1 January 2021 and has been explained in the consolidated financial statements for the year ended on 31 December 2020 of the group, but they do not have a material effect on the group's condensed consolidated Interim financial statements.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies are applied by the Group:

Use of judgments and estimates

The preparation of the condensed consolidated Interim financial statements in conformity with International Financial Reporting Standards endorsed in Saudi Arabia requires the management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. These estimates and judgments are based on management's best knowledge of current events and actions and other factors which form a base for estimating the carrying amount of assets and liabilities which can not be easily determined from other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognized prospectively.

The following is information about assumptions and estimates that have a material impact on the amounts reported in the condensed consolidated Interim financial statements:

- **Going concern**

The management has evaluated the ability of the Group to continue as a going concern and believes the Group has sufficient recourses to continue its business in the near future. Also, the management has material uncertainty related to the ability of the Group to continue as a going concern. Therefore, the condensed consolidated Interim financial statements are still prepared based on the going concern

- **Estimated useful lives of property, plant, and equipment and investment properties and intangible assets**

Management reviews the useful lives of property, plant and equipment and investment properties and intangible assets to calculate depreciation and amortization. These estimates are determined after taking into account the expected use of assets, obsolescence, and damage. The management reviews the residual value and useful lives annually and changes in depreciation expenses in current and future periods if any-

- **Provision for Slow Moving Inventory Items**

Management makes provisions for slow-moving and obsolete inventories. Inventory is measured at the lower of cost or net realizable value. Estimating of net realizable value is based on the most reliable evidence at the time the estimates are made. These estimates take into account price fluctuations or costs directly related to events that occur after the date of the condensed consolidated Interim financial statements.

- **Impairment of Non-Financial Assets**

Impairment exists when the carrying value of an asset or Cash Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation are based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following is information about assumptions and estimates that have a material impact on the amounts reported in the condensed consolidated interim financial statements: (continued)

- **Impairment of Non-derivative Financial Assets**

The Group recognizes allowances for expected credit losses ("ECL") for financial assets measured at amortized cost such as trade accounts receivable. The Group assesses future credit losses using the ECL model for financial assets measured at amortized cost. For trade accounts receivable, the Group applies the simplified approach, which measures the loss allowance at an amount equal to lifetime expected credit losses for all trade accounts receivable since the initial recognition. To assess the ECL, accounts receivable are grouped based on shared risk characteristics and aging. The expected loss rates were calculated based on historical information of the Group and adjusted to reflect the expected future results which include future information on macroeconomic factors such as inflation and GDP growth rate. Other financial assets such as employees' receivables and bank balances have low credit risk and applying the ECL model is considered insignificant.

- **Fair value measurements of financial instruments**

When the fair value of the financial assets and liabilities in the condensed consolidated Interim statement of financial position cannot be measured based on quoted prices in an active market, when IFRS require those assets or liabilities to be measured based on fair value, their fair value is determined using valuation techniques including using the present value of expected cash flows or any other techniques as stated in IFRS (13). The inputs to these techniques are taken from active markets, where possible. However, If this is not possible, a degree of judgment is required to determine the fair value and such estimates take liquidity risk, credit risk, and volatility into account. Changes in the assumptions relating to these factors can affect the reported fair value of the financial instruments.

- **Employees' defined benefit plan obligations**

Post-employment defined benefits and the current value of those benefits are determined actuarial valuations. The actuarial valuation includes further assumptions regarding variables that are required such as discount rates, rate of salary increase and returns on assets, mortality rates, increase in future pensions. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. All actuarial assumptions are reviewed at the date of every condensed consolidated interim statement of financial position.

Derecognition

The group derecognized financial assets when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

Fair value

Fair value is 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. Fair value definition includes the assumption that the Group will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Quoted market prices in active markets for identical assets.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of assets and liabilities from "current" to "non-current"

The Group presents assets and liabilities in the condensed consolidated Interim statement of financial position on a current / non-current basis. The assets are current as follows:

• When it is expected to be realized or is intended to be sold or consumed during the normal cycle of operations.
• If it is acquired primarily for trading.
• When it is expected to be achieved within twelve months after the fiscal year, or
• When they are cash and cash equivalents unless there are restrictions on their replacement or use to pay any liabilities for not less than twelve months after the financial year.
• All other assets are classified as "non-current".

All liabilities are currently as follows:

• When it is expected to be paid during the normal business cycle
• If it is acquired primarily for trading.
• When it matures within twelve months after the fiscal year, or
• When there is no unconditional right to defer the payment of liabilities for not less than twelve months after the financial year.

All other liabilities are classified as "non-current".

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation any impairment losses, except for lands. Cost includes expenditure that is directly attributable to the acquisition of the asset. If significant parts of an item of property, plant, and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment. Expenditures on maintenance and repairs are expensed, while expenditures for improvements are capitalized. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. Sold or disposed of asset and their accumulated depreciation are written-off at the date of sale or disposal.

The depreciation rates for the principal classes of assets are as follows:

Statement	Depreciation rate
Buildings	1.5%-3%
Property and equipment	5%-15%
Vehicles	10%
Furniture and fixtures	10%-20%
Wells	5%
Computers	10%
Fruitful trees	2.5%-3.85%

The depreciation method and useful lives are reviewed periodically to ensure that the depreciation method is appropriate with the expected economic benefits of property, plant and equipment.

The Group has selected to apply the cost model to measure the property, plant and equipment, in accordance with the resolution of Capital Market Authority which obligates listed entities to apply the cost model dated 16/1/1438H (17/10/2016).

Intangible assets

Purchased intangible assets are recorded at cost less accumulated amortization and any accumulated impairment losses if any. They are amortized over their estimated useful life of Range from 3 years to 10 years using the straight-line method. If there is an indication of a significant change in the useful life or residual value of this intangible asset, the amortization is adjusted in the future to reflect the new expectations.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Real estate investments Include (lands, buildings, part of buildings, lands, or both) held by the Group for lease or capital appreciation, or both. Investment properties are measured at cost, net of accumulated depreciation, and any impairment losses if any. Depreciation is calculated based on the amount subject to depreciable, which is the cost of the asset or any other amount less residual amount. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will acquire the property at the end of the lease term. Cost is depreciated by the straight-line method over the estimated useful lives of the assets. When parts of a real estate investment have different useful lives, they are accounted for as separate items (major components) investment property and equipment. The cost of replacing a part of an item of investment property is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of that part is derecognized. The daily service cost of investment property is recognized in the condensed consolidated Interim statement of profit or loss income when incurred.

Capital work-in-progress is stated at cost which represents construction works at the Group's project, including consultancy, demolition, site development, rocks removal, construction works, and other costs related to assets that are ready to be transferred to the location and to get ready for their intended use. Gains or losses on the disposal of an investment property (which represent the difference between sales proceeds and carrying amounts of disposed of investment property) are recognized in the condensed consolidated Interim statement of profit or loss.

The depreciation rates for the principal classes of assets are as follows:

Statement	Depreciation rate
Buildings	1.5%-3%

Biological Assets and agricultural production

Biological assets are the shrimp which is still in the growing stage Biological assets are measured at fair value minus selling cost when fair value can be measured clearly and reliably when the fair value measurement cannot be reliably relied upon, and there are no active market prices for biological assets, in which case biological assets are measured at cost on that date when applying International Accounting Standard No. (2) "Inventory".

Selling costs include additional selling costs and the estimated costs of bringing them to market but do not include financing costs. Aquaculture costs such as larval expenses, labor costs, and feed costs are charged as expenses incurred in measuring the biological assets at fair value.

Fruit trees are considered seed-bearing plants and are thus shown and accounted for as property, plant and equipment. However, the fruits that grow on those trees are accounted for as vital assets up to the date they are harvested. Harvested fruits are transferred to inventory at fair value minus the costs of selling at harvest. Changes in the fair value of fruits before harvest are recognized in the condensed consolidated Interim statement of profit or loss.

The fair value of the biological assets is determined using a discounted cash flow model based on the expected return from the quantities raised, the market price of mature fish after taking into account the following:

Harvest costs, the contribution of the asset cost of the land the ownership of trees to the group, and other costs not yet incurred in obtaining the fish until maturity. But if there are no active market prices for fish and the fair value cannot be determined clearly and reliably, then in such a case, the biological asset must be measured at cost. The biological assets that are internally reared are shown at cost until they are measurable at their fair value.

Inventory

Inventory is stated at the lower of cost or net realizable value, except for spare parts and raw materials that are stated at cost. Costs of inventory are determined on a weighted average basis. A provision for obsolete and slow-moving items based on management estimates at the reporting date of the condensed consolidated Interim financial statements.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related party transactions

Related party

A related party is a person or entity associated with the Group that prepares its condensed consolidated Interim financial statements.

A) If the person or a member of his family is closely related to the company whose consolidated financial statements are prepared:

- Has joint control or control over the company preparing its condensed consolidated Interim financial statements;
- It has a material impact on the company preparing its condensed consolidated Interim financial statements. or
- He is a member of the top management of the company whose condensed consolidated Interim financial statements are prepared or the parent company of the company that prepares its financial statements.

B) If the entity is related to the company that prepares its consolidated financial statements if any of the following conditions are fulfilled:

- The facility and the company that prepares its financial statements are members of the same group (which means that both the parent company, subsidiaries, and associates have a relationship with the other).
- One of the two companies is an associate or a joint venture of the other company (or an associate or a joint venture of a member of the group of which the other company is a member).
- Both companies are joint ventures of the same third party.
- One of the two companies is a joint venture of a third company and the other company is an associate of the third company.
- The company is jointly controlled or controlled by a person specified in Paragraph (a).
- The person identified in paragraph (a) has a material influence on the company or is a member of the top management in the company (or the parent company).
- The company or any member of the group provides part of the services of senior management employees of the company that prepares its condensed consolidated Interim financial statements or to the parent company of the company that prepares its financial statements.

Accounts receivable

Accounts receivable are stated at the original amount of invoice, less provision for expected credit losses. An allowance against expected credit losses is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Bad debts are written off as incurred against related receivables. Provisions are charged to the condensed consolidated Interim statement of profit or loss. Any receivables recovered subsequently that were previously written off are recorded under other revenues.

Cash and cash equivalent

Cash and cash equivalent comprise cash on hand and bank balances, time deposits, and other highly liquid short-term investments with original maturities of three months or less. from the acquisition date which is available to the Group without restrictions which are subject to minimal risk of changes in value.

Loans

Loans are initially recognized at the transaction price (I.e. the present value of the bank's due to funding bodies, including transaction costs). Loans are measured at amortized cost.

Employees' defined benefit plan obligations

- **End service indemnities**

The end-of-service indemnity provision is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the condensed consolidated Interim statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur and are not charged to the condensed consolidated Interim statement of profit or loss.

- **Retirement benefits**

The Group makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. These payments are expensed when incurred.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees' defined benefit plan obligations (continued)

- **Short-term employee benefits**

Liabilities recognized in respect of short-term employee benefits related to wages and salaries are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Governmental grants

Government grants are recognized at fair value in the condensed consolidated Interim statement of profit or loss when there is reasonable assurance that the grant will be received and that the group has fulfilled all the conditions for that grant. The grants that are received when the group has not yet complied with all the attached conditions are recognized as liabilities (and are included in deferred revenue within the payables and other creditors) and those grants are recorded in the condensed consolidated Interim statement of profit or loss upon fulfillment of all the conditions of that grant.

Zakat provision

Zakat is a liability on the Group and provided for in the accompanying condensed consolidated Interim financial statements. Zakat is charged to the condensed consolidated Interim statement of profit or loss on an accruals basis, in accordance with Zakat standard issued by SOCPA. where it is calculated for the year in accordance with the principle of accrual.

The zakat charge is computed at year-end on Zakat base or adjusted net income whichever is higher, in accordance with the regulations of the General Authority of Zakat and Income Tax in Saudi Arabia.

Differences between the provision and the final assessment are addressed in the period in which the assessment is received.

Withholding taxes

The group collects taxes on transactions with non-resident parties in the Kingdom of Saudi Arabia and on dividends paid to non-resident shareholders in accordance with the regulations of the General Authority for Zakat and Income in the Kingdom of Saudi Arabia.

Value-added tax

Expenses and assets are recognized net of the amount of value-added tax, except:

When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Revenues

Revenue is recognized when the Group fulfills its obligations in contracts with customers with an amount that reflects the material compensation that the entity expects for goods or services. Specifically, the standard provides a five-step model for revenue recognition:

Step 1: Identify the contract with the customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when or as the entity satisfies a performance obligation.

Revenue is recognized when the contractual obligations are performed, i.e. when control over goods or services related to the performance of a specified obligation is transferred to the customer and the customer can use goods without restrictions or benefit from services provided under the contract.

Revenue from the sale of any by-products from industrial waste is recorded as other income in the condensed consolidated Interim statement of profit or loss.

If the Group separated a product selling price from its location or delivered to the customer's location, the difference arising from this separation will be considered other revenue and its corresponding cost will be charged to costs of revenues.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Revenues
Other revenues are recognized when realized.

Expenses
All direct expenses related to sales comprise salaries, wages, materials, and Indirect costs and are charged to the cost of sales. Selling and marketing expenses include all expenses related to the selling and marketing function. All other expenses are classified as general and administrative expenses. Common expenses are allocated between general and administrative expenses, selling, marketing expenses. Common expenses are allocated consistently.

Segment information
An operating segment is an element of a group that relates to its activities through which it earns revenue and incurs expenses including revenues and expenses related to transactions with any other elements of the group. All operating results of the operating sectors are reviewed regularly by the heads of the business sector in the group, who make decisions about the resources that are allocated to the sectors and evaluate their performance and for which detailed financial information is available. Segment results reported to the firm's business heads include items directly attributable to the segment as well as those that can be distributed on a reasonable basis.

Earnings per share
Basic and diluted earnings per share are calculated based on the weighted average number of shares outstanding at the end of the period.

Foreign currency translation
Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date of the condensed consolidated Interim statement of financial position are translated into Saudi riyals at the exchange rates prevailing at end of the period. Gains and losses from settlement and translation of foreign currency transactions are included in the condensed consolidated Interim statement of profit or loss.

5- INVESTMENTS IN SUBSIDIARIES

Investments in subsidiary companies consist of the following:

Company	Legal entity	Country	Ownership percentage	**31 March 2021 (Unaudited) SAR**	31 December 2020 (Audited) SAR
Fish Day Company for Selling Fish **	Limited liability company	Saudi Arabia	%80	**1,000,000**	1,000,000
				1,000,000	1,000,000

The activity of the Fish Day Company for the sale of fish is the wholesale sale of fish and aquatic organisms, the retail sale of fish and other seafood and their products, the retail via the Internet, and the transport of chilled and frozen goods. Registered in the commercial registry in Riyadh with the number 1010894462, and according to the company's articles of association, the first financial statements of the company are prepared as of 31 December 2021, consequently, this company has not been consolidated within the group's condensed consolidated interim financial statements.

Movement on the investments in subsidiary companies is as follows:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Balance at the beginning of the period/ year	**1,000,000**	-
Additions during the period/ year	-	1,000,000
Balance at the end of the period/ year	**1,000,000**	1,000,000

6- INVESTMENTS IN ASSOCIATES, NET

Investments in associate companies consist of the following:

Company	**Country**	**Ownership percentage**	**31 March 2021 (Unaudited) SAR**	31 December 2020 (Audited) SAR
Tabuk Fish Company *	Saudi Arabia	%20	**19,807,593**	19,154,139
Jannat Agricultural Investment Company **	Saudi Arabia	%27.8	-	-
Rakhaa Company for Agricultural Investment and Development **	Arab Republic Of Egypt	%21.6	-	-
			19,807,593	19,154,139

- The group assesses and records its share in the results of the associate companies based on the internaly financial statements prapered by the managment of companies.

* Tabuk Fish Company is engaged in the cultivation of fish and other aquatic organisms, fishing, and gathering of fish and marine organisms, marketing of marine products, the manufacture of marine products, the manufacture of fish containers from polystyrene, plastic, etc., the manufacture of fish feed and all industries related to the company's activity, and wholesale and retail trade in the equipment and supplies of fish projects and in foodstuffs and agencies Commercial establishments, restaurants and shops for selling fish are registered in the Commercial Registry of Riyadh City with the number 1010215142.

6- INVESTMENTS IN ASSOCIATES, NET (CONTINUED)

The movement on the investments in associate companies is as follows:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Balance at the beginning of the period/ year	**21,125,884**	20,105,626
Group's share in the profit of the associate	**495,692**	987,579
Group's share in the items of other comprehensive income of the associate	**157,762**	32,679
	21,779,338	21,125,884
Impairment in the investment value of the associate	**(1,971,745)**	(1,971,745)
Balance at the end of the period/ year	**19,807,593**	19,154,139

** The activity of Jannat Agricultural Investment Company is represented in establishing agricultural projects, livestock, and poultry production, registered in the commercial register in Riyadh City No. 1010241588. The partners decided to liquidate the company because of the accumulated losses exceeding more than half of its capital, and Accordingly, the Jazan Energy and Development Company decided to close the entire value of the investment in the financial statements during 2018 Whereas, Jannat Agricultural Investment Company owns an investment of 77.73% of the capital of Rakhaa Agricultural Investment Company, a company based in the Arab Republic of Egypt that produces agricultural crops, and due to the stumbling block of Jannat Company and it is being under liquidation, on 2 January 2020, the ownership of 17,288 shares of the shares were transferred. Rakhaa Company for Agricultural Investment and Development to the Jazan Energy and Development Company (JAZADCO). The deficit of shareholders in Rakhaa Agricultural Investment and Development Company, as of 31 December 2019 reached 305.6 million Egyptian pounds, equivalent to its value on the date of the financial position, amounting to SAR 72.7 million. The value of that investment has not been proven due to the existence of that deficit in the rights of the shareholders according to the company's latest audited financial statements. The liquidation procedures of Jannat Agricultural Investment Company are still ongoing until the date of the condensed consolidated Interim financial position.

7- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OCI

Financial investments at fair value through other comprehensive income represent an investment in Al-Reef Sugar Refining Company at a rate of 15% of its capital, where the company's activity is in the manufacturing industries and its branches according to industrial licenses, wholesale and retail trade with agricultural crops and commercial services, and the purchase and sale of land, ownership, leasing, and investment of real estate and the construction of buildings on it and its investment For the company.

The following is a statement of that investment as follows:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Al-Reef Sugar Refining Company	**45,000,000**	45,000,000
Reserve for revaluation of financial investments at FVOCI	**(3,000,000)**	(3,000,000)
	42,000,000	42,000,000

The movement in the reserve for revaluation of financial investments at FVOCI is as follows:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Balance at the beginning of the period/ year	**42,000,000**	41,190,000
Change in fair value of investments at fair value through other comprehensive income	**-**	810,000
Balance at the end of the period/ year	**42,000,000**	42,000,000

8- INVENTORY, NET

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Finished goods	**15,227,445**	15,605,449
Raw materials	**5,935,346**	5,073,944
Spare parts	**2,655,412**	2,719,040
	23,818,203	23,398,433
(Less): provision for slow-moving goods	**(320,000)**	(320,000)
	23,498,203	23,078,433

The movement in the provision for slow-moving goods is as follows:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Balance at the beginning of the period/ year	**(320,000)**	(320,000)
Balance at the end of the period/year	**(320,000)**	(320,000)

9- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial investments at fair value through profit or loss are represented in the cash available in the investment in the bank's portfolio At Investments Capital, a subsidiary of the Saudi Investment Bank, the cash balance available in the portfolio as of 31 March 2021 amounting to SAR 515,686.

10- STATUTORY RESERVE

As per the Regulations for Companies in Saudi Arabia, and the Company's by-laws of the parent company a statutory reserve of 10% of net income must be appropriated until the reserve equals 30% of the share capital. The reserve is not available for distribution as dividends to shareholders.

11- LONG TERM LOAN

The long-term loans represent as below:

Agricultural Development Fund loan

- On 22 Dhu al-Qi'dah 1431 AH (30 October 2010), the Jazan Energy And Development Company signed a long-term loan agreement with the Saudi Agricultural Development Fund of SAR 20,999,997 to finance the shrimp breeding project, The loan is secured by marginalizing the title deeds of land within property, plant and equipment, the loan agreement included conditions regarding the Jazan Energy And Development Company commitment to some financial ratios and conditions, the loan is to be repaid in ten installments, the first installment is due on 22 Dhul-Qi'dah 1433 AH (corresponding to 8 October 2012) and the last installment on 22 Dhul-Qi'dah 1442 AH (corresponding to 2 July 2021).

Al-Rajhi Bank loan

- On 17 Shawwal 1438 AH (corresponding to 11 July 2017), the Jazan Energy And Development Company signed a loan agreement with Al-Rajhi Bank to be repaid in semi-annual installments of SAR 14,996,712 for Financing Projects for the Jazan Energy and Development Group, the loan is secured by a mortgage on buildings included in real estate investments and assignment of annual rents for the mortgaged buildings, the loan agreement included conditions regarding the Jazan Energy And Development Company commitment to some financial ratios and conditions, the first installment due on 9 Jumada Al-Akhir 1440 AH (corresponding to 14 February 2019) and the last installment on 18 Muharram 1444 AH (corresponding to 16 August 2022).

11- LONG TERM LOAN (CONTINUED)

The movement in long-term loans is as follows:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Balance at the beginning of the period/ year	**16,072,442**	17,866,894
Paid from loans during the period/ year	**(1,575,000)**	(1,794,452)
Total	**14,497,442**	16,072,442
Less of the present value of loan balances	**(35,910)**	(35,910)
Less of expedited payment from the Agricultural Development Fund	**(524,999)**	-
Balance at the end of the period/ year	**13,936,533**	16,036,532
Current portion of long-term loans	**9,861,558**	11,961,557
Non-current portion of long-term loans	**4,074,975**	4,074,975

Below are the maturities of the loan:

Year	**31 March 2021 (Unaudited) SAR**	31 December 2020 (Audited) SAR
2020	-	6,009,905
2021	**9,861,558**	5,951,652
2022	**4,074,975**	4,074,975
	13,936,533	16,036,532

12- COMMITMENT AGAINST THE LOAN GUARANTEE OF AN ASSOCIATE

On 24 October 2016, the Saudi Fund for Development notified Jannat Agricultural Investment Company that, as of 24 October 2016, the loan due to the fund from the Rakha Agricultural Investment and Development Company (an associate company) is considered implicitly transferred to the guarantor of the loan with a fine guarantee and the performance and demand of the guarantor partners to quickly repay the obligations The implications for the partners, as the Jazan Energy and Development Company (JAZADCO) is a partner in Jannat Agricultural Investment Company, so a provision has been made in the amount equivalent to the loan guarantee percentage of the Jazan Energy and Development Company (JAZADCO), which is 18.85%, at an amount of SAR 18,771,396.

Movement in commitment against the loan guarantee of an associate is as follows:

	31 March 2021 (Unaudited) SAR	31 December 2020 (Audited) SAR
Balance at the beginning of the period/ year	**14,619,841**	14,619,841
Balance at the end of the period/ year	**14,619,841**	14,619,841

13- EARNING PER SHARE

Basic and diluted earnings per share from net income is calculated by dividing the net income for the period by the weighted average number of shares outstanding at the end of the period amounting to 50,000,000 shares (31 December 2020: 50,000,000 shares)

14- SEGMENT INFORMATION

Segment information relates to the group's activities and business, which the group's management has relied on as a basis for preparing its financial information, in line with internal reporting methods. Transactions between sectors are carried out on the same terms as dealing with other parties.

The sectors 'operating assets, liabilities, and operating activities include items directly related to a specific sector and items that can be distributed among the different sectors on a reasonable basis. Items that cannot be distributed between sectors are classified under the heading of joint assets and liabilities. The group sectors are as follows:
- The agricultural sector, where the group cultivates and reaps shrimp, in addition to the fruit farm.
- The commercial sector, where the group purifies and distributes bottled mineral water.
- Investment properties sector, where the group leases buildings for commercial and residential purposes.

The following is a summary of the financial segments information for the two periods ended 31 March 2021, 31 March 2020, respectively, according to the nature of the activity:

	Agricultural sector SAR	Commercial sector SAR	Investment properties sector SAR	Total SAR
For the period ended 31 March 2021: (Unaudited)				
Revenues	**16,071,777**	**4,405,572**	**2,699,588**	**23,176,937**
Gross profit	**4,212,950**	**954,696**	**1,325,134**	**6,492,780**
For the period ended 31 March 2020: (Unaudited)				
Revenues	14,559,564	5,447,240	2,583,297	22,590,101
Gross profit	3,299,157	1,344,119	1,310,091	5,953,367

The following is a summary of the financial segments information as of 31 March 2021, 31 December 2020, respectively, according to the nature of the activity:

	Agricultural sector SAR	Commercial sector SAR	Investment properties sector SAR	Total SAR
As of 31 March 2021 (Unaudited):				
Total assets	**287,365,346**	**75,638,678**	**240,180,892**	**603,184,916**
Total liabilities	**46,544,994**	**19,329,387**	**9,687,777**	**75,562,158**
As of 31 December 2020 (Audited):				
Total assets	285,459,060	75,220,363	240,180,892	600,860,315
Total liabilities	46,182,590	19,614,226	9,687,777	75,484,593

15- FINANCIAL INSTRUMENTS RISK MANAGEMENT

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments that the group commits to in the interest of others.

To reduce the liquidity risk and associated losses which may affect the business of the Group, the group maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Group avoids financing long-term capital requirements through short-term borrowing. Long-term projects are currently funded with long-term loans only. The Group has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

15- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)
The following is the maturities of assets and liabilities as of 31 March 2021, and 31 December 2020:

31 March 2021	3 months or less SAR	More than 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
Assets					
Accounts receivable, prepaid expenses and other debtors, net	-	52,436,895	-	-	52,436,895
Due from a related party	-	44,313	-	-	44,313
Total	-	52,481,208	-	-	52,481,208
Liabilities					
Long-term loans	-	9,861,558	4,074,975	-	13,936,533
Distributions of shareholders' entitlements	-	5,711,869	-	-	5,711,869
Employees' defined benefit plan obligations	-	-	-	8,728,258	8,728,258
A commitment against the loan guarantee of an associate	-	-	-	14,619,841	14,619,841
Accounts payable, accrued expenses and other creditors	-	17,746,713	-	-	17,746,713
Zakat provision	410,713	14,408,231	-	-	14,818,944
Total	410,713	47,728,371	4,074,975	23,348,099	75,562,158

31 December 2020	3 months or less SAR	More than 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
Assets					
Accounts receivable, prepaid expenses and other debtors, net	29,243,497	13,499,228	-	-	42,742,725
Total	29,243,497	13,499,228	-	-	42,742,725
Liabilities					
Long-term loans	-	11,961,557	4,074,975	-	16,036,532
Due to a related party	255,687	-	-	-	255,687
Distributions of shareholders' entitlements	-	5,711,869	-	-	5,711,869
Employees' defined benefit plan obligations	-	-	-	8,544,701	8,544,701
A commitment against the loan guarantee of an associate	-	-	-	14,619,841	14,619,841
Accounts payable, accrued expenses, and other creditors	1,968,769	13,938,963	-	-	15,907,732
Zakat provision	2,086,217	12,322,014	-	-	14,408,231
Total	4,310,673	43,934,403	4,074,975	23,164,542	75,484,593

15-FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

Market price risk

Market risk is the risk that arises from changes in the fair value of future cash flows of financial instruments due to changes in market prices. Market rates have 3 types: Interest rate risk. Currency risk and other price risks such as Shares price risk and commodity price risk, and includes financial liabilities affected by market price risk on loans, accounts receivables, and payables.

Interest rate risk

Interest rate risk is the risk that arises from changes in the fair value of future cash flows of financial instruments because of a change in the interest rate of the market. The group's financial assets and liabilities as of the balance sheet date, except for long-term loans, are not exposed to interest rate risk. Long-term loans carry interest in addition to credit margin based on prevailing market interest rates.

Currency risk.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's primary transactions are in Saudi riyals and US dollars. Management monitors currency fluctuations.

Fair value

Fair value is 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. Fair value definition includes the assumption that the Group will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Quoted market prices in active markets for identical assets.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

16- GENERAL

The amounts in these condensed consolidated Interim financial statements are rounded to the nearest Saudi Riyal.

17- IMPORTANT MATTERS DURING THE YEAR

In response to the spread of the Covid-19 in GCC and other territories where the Group operates and its resulting disruptions to the social and economic activities in those markets, Management had proactively assessed its impacts on its operations and took a series of preventive measures, including the creation of on-going crisis management teams and processes, to ensure the health and safety of its employees, customers, consumers, and the wider community as well as to ensure the continuity of supply of its products throughout its markets. Notwithstanding these challenges, the Group's operations remained largely unaffected as the food industry, in general, was exempt from the various bans and constraints imposed by various regulatory authorities including exemption from curfew hours and cargo shipping and flight operations restrictions. The underlying demand from retail and wholesale customers for the Group's products has been largely unaffected, although some small shifts in product mix were apparent. Based on these factors, Management believes that the Covid-19 pandemic has had no material effect on Almarai's reported financial results for the year ended 31 December 2020. The Group continues to monitor the Covid-19 situation closely although at this time management is not aware of any factors that are expected to change the impact of the pandemic on the Group's operations during 2021 or beyond.

18- SUBSEQUENT EVENTS

In the opinion of the management, there were no other significant events subsequent to 31 March 2021 that are expected to have a significant impact on these condensed consolidated interim financial statements as of 31 March 2021.

19- APPROVAL OF THE FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved by the board of directors on 7 Shawwal 1442 H (May 19, 2021).