

**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH ENDED 31 MARCH 2023**  
**AND**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH ENDED**  
**31 MARCH 2023**  
**AND INDEPENDENT AUDITOR’S REVIEW REPORT**

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<b><u>Table of Contents</u></b>	<b><u>Page</u></b>
Independent Auditor’s Review Report on the Interim Condensed Financial Statements	1-2
Interim Statement of Financial Position	3
Interim Statement of Profit or Loss and Other Comprehensive Income	4
Interim Statement of Changes in Equity	5
Interim Statement of Cash Flows	6
Notes to the Interim Condensed Financial Statements	7-20

## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

(1 / 2)

### TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY

#### INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Saudi Fisheries Company (the "Company") as at 31 March 2023 and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for three-month period then ended, and notes including a summary of significant accounting policies and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

#### SCOPE OF REVIEW

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### BASIS FOR QUALIFIED CONCLUSION

As mentioned with in Note 6 of the accompanying interim condensed financial statements, due to the unavailability of the mechanism to validate the quantities of the fish in the sea, we were unable to obtain sufficient and appropriate review evidence through alternative means regarding the existence and valuation of the biological assets related to fish amounting to SAR 16 million as of 31 March 2023 and SAR 12.9 million as at 31 December 2022. Consequently, we are unable to ascertain whether any adjustments are necessary to be recognized in the interim statement of financial position as at 31 March 2023 and 31 December 2022 and in the interim statements of profit or loss and other comprehensive income and cash flows for the period ended 31 March 2023.

#### QUALIFIED CONCLUSION

Except for the adjustments to the interim condensed financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

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

(2 / 2)

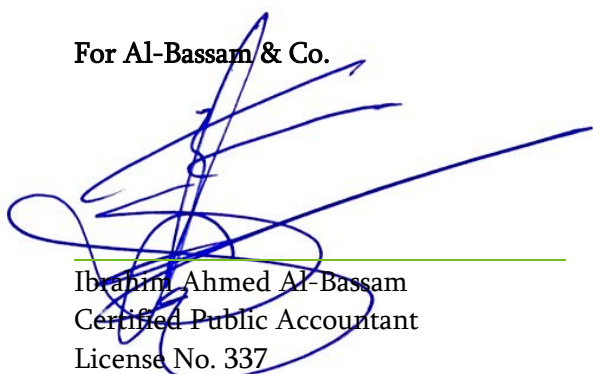
**TO THE SHAREHOLDERS OF SAUDI FISHERIES COMPANY**

**MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN**

We draw attention to Note 2.3 to the accompanying interim condensed financial statements, which states that the Company has an accumulated losses as of 31 March 2023 amounting to SR 196.5 million (31 December 2022: SR 197.4 million) representing 49.13% (December 31, 2022: 49.35%) of the share capital which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our conclusion is not qualified in respect of these matters.

**For Al-Bassam & Co.**



Ibrahim Ahmed Al-Bassam  
Certified Public Accountant  
License No. 337

Riyadh: 10 Dhu al-Qa'dah 1444H  
Corresponding to: 30 May 2023



**RIYADH**  
Tel. +966 11 206 5333 | P.O Box 69658  
Fax +966 11 206 5444 | Riyadh 11557

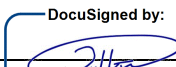
**JEDDAH**  
Tel. +966 12 652 5333 | P.O Box 15651  
Fax +966 12 652 2894 | Jeddah 21454

**AL KHOBAR**  
Tel. +966 13 893 3378 | P.O Box 4636  
Fax +966 13 893 3349 | Al Khobar 11557

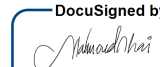
**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	Note	31 March 2023 (Unaudited)	31 December 2022 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment		121,236,229	123,117,745
Capital work in progress		33,229,248	32,699,617
Investment properties	5	6,645,794	6,645,794
Right-of-use assets		15,496,854	15,647,412
Restricted cash deposit	9	25,206,018	20,126,667
<b>Total non-current assets</b>		<b>201,814,143</b>	<b>198,237,235</b>
<b>Current assets</b>			
Inventories		27,461,519	22,802,894
Biological assets	6	20,084,808	20,664,638
Trade receivables		6,173,450	3,414,657
Prepayments and other assets	7	17,765,480	8,585,885
Investments carried at FVTPL		33,545	33,545
Investments carried at amortized cost	8	20,164,814	44,383,323
Restricted cash deposit – current portion	9	6,052,502	11,099,000
Cash and bank balances		8,057,043	1,853,173
<b>Total current assets</b>		<b>105,793,161</b>	<b>112,837,115</b>
<b>TOTAL ASSETS</b>		<b>307,607,304</b>	<b>311,074,350</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		400,000,000	400,000,000
Accumulated losses		(196,520,273)	(197,419,153)
Actuarial Reserve		385,947	385,947
<b>TOTAL EQUITY</b>		<b>203,865,674</b>	<b>202,966,794</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	10	26,885,840	21,885,840
Employees' post-employment benefits		5,620,183	5,838,149
Lease liabilities		12,458,714	13,321,836
<b>Total non-current liabilities</b>		<b>44,964,737</b>	<b>41,045,825</b>
<b>Current liabilities</b>			
Long-term borrowings - current portion	10	2,194,628	2,331,570
Short-term borrowings	10	9,160,330	10,073,467
Trade and other payables		22,016,523	29,206,821
Shareholder's compensation and subscription to priority right shares		13,414,275	13,414,275
Lease liabilities – current portion		5,200,374	4,176,491
Provision for zakat	12	6,790,763	7,859,107
<b>Total current liabilities</b>		<b>58,776,893</b>	<b>67,061,731</b>
<b>TOTAL LIABILITIES</b>		<b>103,741,630</b>	<b>108,107,556</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>307,607,304</b>	<b>311,074,350</b>

Contingencies and commitments 13  
The accompanying notes 1 to 22 form part of these financial statements.

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Board Member  
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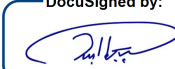
Chief Executive Officer

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Chief Financial Officer

**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	Notes	For the three-month period ended 31 March	
		2023 (Unaudited)	2022 (Unaudited)
Revenue		11,597,964	16,979,541
Cost of sales		(11,297,492)	(26,070,948)
Gain on fair valuation of biological asset		-	3,836,813
<b>GROSS PROFIT / (LOSS)</b>		<b>300,472</b>	<b>(5,254,594)</b>
Selling and distribution expenses		(7,637,198)	(6,446,932)
General and administrative expenses		(4,358,337)	(4,580,298)
Reversal of impairment of trade receivables		800,585	-
Other income	14	13,026,920	1,461,605
<b>OPERATING PROFIT / (LOSS)</b>		<b>2,132,442</b>	<b>(14,820,219)</b>
Finance cost	15	(683,562)	(90,000)
<b>NET PROFIT / (LOSS) BEFORE ZAKAT</b>		<b>1,448,880</b>	<b>(14,910,219)</b>
Zakat	12	(550,000)	(600,000)
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>		<b>898,880</b>	<b>(15,510,219)</b>
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD</b>		<b>898,880</b>	<b>(15,510,219)</b>
<b>Basic and diluted earning / (loss) per share for the period</b>	16	<b>0.02</b>	<b>(0.39)</b>

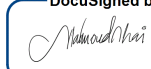
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Board Member



Chief Executive Officer

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Chief Financial Officer

**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

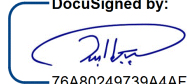
**For the three-month  
period ended  
31 March 2022**

	Share capital	Accumulated losses	Actuarial reserve	Total
Balance as at 1 January 2022 – Audited	400,000,000	(128,627,297)	(103,627)	271,269,076
Net loss for the period	-	(15,510,219)	-	(15,510,219)
Balance as at 31 March 2022 (Unaudited)	400,000,000	(144,137,516)	(103,627)	255,758,857

**For the three-month  
period ended  
31 March 2023**

	Share capital	Accumulated losses	Actuarial reserve	Total
Balance as at 1 January 2023 – Audited	400,000,000	(197,419,153)	385,947	202,966,794
Net profit for the period	-	898,880	-	898,880
Balance as at 31 March 2023 (Unaudited)	400,000,000	(196,520,273)	385,947	203,865,674

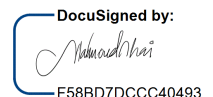
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Board Member



Chief Executive Officer

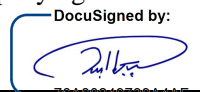
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Chief Financial Officer

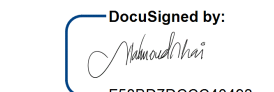
**SAUDI FISHERIES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

		For the three-month period ended 31	
	Note	March 2023 (Unaudited)	March 2022 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net profit / (loss) before zakat		1,448,880	(14,910,219)
<b>Adjustments for non-cash items</b>			
Depreciation of property, plant and equipment		2,402,502	2,054,523
Depreciation of right-of-use assets		505,690	527,646
Gain on fair valuation of biological asset	6	-	(3,836,813)
Provision for employee's post-employment benefits		376,843	244,449
Finance cost	15	683,562	-
Write-down of inventories		2,783,740	-
Reversal of impairment of trade receivables		(800,585)	-
Write-off of provision for impairment of prepayments and other assets	7	(1,150,000)	-
Income from investment carried at amortized cost	14	(364,935)	-
Income from restricted cash deposits	14	(463,228)	-
<b>(Increase) / decrease in operating assets</b>			
Inventories		(7,442,365)	52,914
Biological assets	6	579,830	8,227,146
Trade receivables		(1,958,208)	(135,980)
Prepayments and other assets	7	(8,029,595)	3,822,535
<b>(Decrease) / increase in operating liabilities</b>			
Trade and other payables		(7,190,298)	(8,770,264)
<b>Cash used in operating activities</b>			
Zakat paid	12	(1,618,344)	(12,724,063)
Employees post-employment benefits paid		(594,809)	-
<b>Net cash flow used in operating activities</b>			
		(20,831,320)	(13,052,741)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(520,986)	(1,000,217)
Additions to capital work in progress		(529,631)	-
Interest income received on term deposits		583,444	-
Interest income received on restricted cash deposits		430,375	-
Redemption of investments carried at amortized cost	8	24,000,000	-
<b>Cash flow generated from / (used in) investing activities</b>			
		23,963,202	(1,000,217)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of short-term borrowings	10	(882,815)	-
Proceeds from long-term borrowings	10	5,000,000	-
Finance cost paid		(667,547)	-
Shareholder's compensation and subscription to priority right shares paid		-	(5,902)
Lease liabilities paid		(377,650)	(177,862)
<b>Cash flows generated from / (used in) financing activities</b>			
		3,071,988	(183,764)
<b>Net change in cash and cash equivalents during the period</b>			
		6,203,870	(14,236,722)
Cash and cash equivalents at the beginning of the period		1,853,173	20,332,894
<b>Cash and cash equivalents at the end of the period</b>			
		8,057,043	6,096,172

The accompanying notes 1 to 22 form part of these financial statements.

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Board Member

  
Chief Executive Officer

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Chief Financial Officer



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

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**1. LEGAL STATUS AND OPERATIONS**

The Saudi Fisheries Company, a Saudi joint stock Company (the “Company”), was established in accordance with the provisions of the Companies Law issued by the Royal Decree No. M / 6 dated 22 Rabi Al-Awwal 1385 H 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.

In accordance with the bylaws, the Company shall engage in fishing in international waters, fish farming in the seas, and other activities for the processing and preservation of shrimps and aquatic organisms, shrimps and seafood grilling shops. The above activities require obtaining a license from relevant authorities such as the Ministry of Environment, Water and Agriculture and the Ministry of Energy, Industry and Mineral Resources.

The 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 financial statements include the Company’s branches as follows:

Location	Commercial Registration	
	No	Date
Jizan	5900001712	22 Dhul Hijjah 1401 H
Riyadh	1010042732	22 Rabi Al-Awwal 1402 H
Jeddah	4030041385	13 Rabi Al-Awwal 1404 H
Rijal Alma’a- Al-Huraidah	5861023704	18 Rabi Al-Awwal 1424 H

**2. BASIS OF PREPARATION**

**2.1. Statement of compliance**

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

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

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

**2.2. Basis of measurement**

These financial statements have been prepared in accordance with the historical cost basis.

**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.

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

### **2.3. Significant Accounting Judgements, Estimates, and Assumptions**

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

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

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

#### **Going concern**

The Company reported a net loss for the year ended 31 December 2022 amounting to SR 68.8 million (31 December 2021: SR 34.2 million) and its accumulated losses as of the same date amounts to SR 197.4 million (31 December 2021: SR 128.6 million) representing 49.4% (December 31, 2021: 32.2%) 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. Management has taken several strategic steps to increase its trade business, improve operational efficiency, and ensure the Company's sustainability.

Key initiatives undertaken by the Company include:

**Strategic Partnership:** The Company entered into a significant agreement with Oman fisheries company, a leading player in the Oman and Gulf seafood industry. This partnership will aid in expanding the Company's trade business and create new market opportunities.

**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.

**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.

In light of the above, management is satisfied that the Company has the necessary cash flows, financial resources and support to meet its obligations, and are confident on its ability to continue its operations as a going concern.

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

### **2.3. Significant Accounting Judgements, Estimates, and Assumptions (continued)**

#### **Net realizable value estimate of shrimp stock**

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

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 31 December 2022.

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

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

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

**5. INVESTMENT PROPERTIES**

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

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

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

Location	Purpose	Book value	Valuation Technique	Key Inputs	Fair Value Amount as per Valuation
Al-Khobar (Note 5.1)	Rental	2,100,000	Cost approach	Replacement cost	4,269,047
Riyadh	Rental	1,250,000	Market value	Recent transactions	4,450,000
Onezah	Capital Appreciation	160,000	Market value	Recent transactions	349,000
Abu Arish (Note 5.2)	Rental	3,135,794	Market value	Recent transactions	22,782,862
		<b>6,645,794</b>			<b>31,850,909</b>

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

<b>Name of valuer</b>	Ejadah Saudia
<b>Valuer's qualifications</b>	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.

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

**5.1.** The lands include a land in Khobar, with a book value of SAR 2.1 million as of 31 March 2023 and 31 December 2022 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.

**SAUDI FISHERIES COMPANY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**6. BIOLOGICAL ASSETS**

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b><u>At fair value</u></b>		
- Shrimps	-	3,022,858
<b><u>At cost</u></b>		
- Fish	<b>16,009,580</b>	12,897,234
- Raw material	<b>4,075,228</b>	4,744,546
	<b>20,084,808</b>	20,664,638

Raw material includes small Barramundi fish that have yet to be transferred to the sea cages for further growth, as well as post-grow out shrimp larvae that are ready for transfer to grow-out stage.

	<b>For the three-month period ended</b>		<b>For the year ended</b>	
	<b>31 March 2023</b>		<b>31 December 2022</b>	
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>Shrimps</b>	<b>Fish</b>	<b>Shrimps</b>	<b>Fish</b>
	<b>(At fair value)</b>	<b>(At cost)</b>	<b>(At fair value)</b>	<b>(At cost)</b>
Carrying amount at 1 January	3,022,858	12,897,234	21,860,518	-
Additions due to purchases during the year	489,984	629,843	28,439,772	9,883,135
Shared overheads	3,915,633	2,482,503	23,766,748	7,242,974
Transfers to inventories	(6,068,183)	-	(67,452,178)	(4,228,875)
Loss arising from changes in fair value less cost to sell	-	-	(3,592,002)	-
Carrying amount as at	<b>1,360,292</b>	<b>16,009,580</b>	3,022,858	12,897,234

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

The biological assets related to fish amounting to SAR 16 million are carried at cost less any accumulated depreciation and impairment losses, if any. Due to the stage of the assets, there is no reliable measurement of their fair value.

As of 31 March 2023, due to the unavailability of the mechanism to validate the quantities of the fish in the sea the management of the Company was unable to determine the estimated quantities of fish in the sea. The Management explored various feasible alternatives such as outsourcing the count through global experts who were unable to execute the count due to the unavailability of suitable tools. As a result, the Management explored options to acquire these tools however considering the possible given the stage of the farming, acquiring such tools are not financially viable.

Consequently, the management was unable to arrive at the fair value for fish, that can be measured reliably. This judgement has been made in line with the accounting standards applicable to such assets, and the Management remains committed to continually evaluating methods to reliably measure these biological assets' fair value in the future.

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

**7. PREPAYMENTS AND OTHER ASSETS**

		<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>Note</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
VAT receivables		5,268,011	5,710,009
Advance payments to suppliers		3,616,375	3,747,422
Prepaid expenses (medical, insurance and utilities)		1,638,656	1,492,595
<i>Less: Impairment</i>		<b>(3,445,335)</b>	<b>(3,445,335)</b>
		<b>7,077,707</b>	<b>7,504,691</b>
<i><b>Financial Asset at Amortized Cost – Unsecured</b></i>			
Receivable from Government for Jeddah building	7.1	8,971,782	-
Land related receivables		3,377,204	3,377,204
Government grant receivable		829,740	510,402
Rental receivable		481,192	1,273,208
Receivables from staff		188,996	256,633
Margin of guarantees		170,775	170,775
Others		124,228	99,116
		<b>14,143,917</b>	<b>5,687,338</b>
<i>Less: Impairment of financial assets</i>	7.2	<b>(3,456,144)</b>	<b>(4,606,144)</b>
		<b>10,687,773</b>	<b>1,081,194</b>
<b>Total</b>		<b>17,765,480</b>	<b>8,585,885</b>

**7.1.** During the year 2022, Jeddah Municipality expropriated the land, vacated the site and has demolished the administrative building located in Jeddah Governorate and the recoverability amount from the government has been ascertained as SAR 8.97 million by the Taqem approved fair valuer and legal advisor of management has confirmed the reasonableness and recoverability of the same. Accordingly, based on the guidance provided by SOCPA, a receivable from government has been recorded in the books in line with the requirements of the applicable accounting standard.

**7.2.** During the period, the Company has written-off provision for impairment against a receivable balance amounting to SAR 1.15 million due to the settlement of the case based on the board of director approval.

**8. INVESTMENTS CARRIED AT AMORTIZED COST**

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<i><b>Financial Asset at Amortized Cost – secured</b></i>		
<b>Term deposit</b>		
Original maturity – less than three months	-	-
Original maturity - more than three months	20,000,000	44,000,000
Accrued profit	164,814	383,323
	<b>20,164,814</b>	<b>44,383,323</b>

The Investment carried at amortized cost represents, term deposit placements with local credit rated financial institutions. The average yield on the placements ranges from 3.49% – 5% (31 December 2022: 4%-5.25%).

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

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

**9. RESTRICTED CASH DEPOSIT**

The Company has placed these funds in restricted bank accounts as a margin deposit for certain financing facilities granted to the Company. The Company also earns a profit on these balances. The average yield on the restricted cash deposits ranges from 3.49% – 5.40%.

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<i>Financial Assets at Amortized Cost - Secured</i>		
Restricted cash deposit	<b>31,000,000</b>	31,000,000
Accrued profit	<b>258,520</b>	225,667
	<b>31,258,520</b>	31,225,667

As at 31 March 2023, the Company has deposited SAR 6 million with National Bank of Bahrain, a related party to the Company against borrowings obtained.

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

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>9.1. Maturity profile:</b>		
<b>Restricted cash deposit</b>		
Non-current portion	<b>25,206,018</b>	20,126,667
Current portion	<b>6,052,502</b>	11,099,000
	<b>31,258,520</b>	31,225,667

**10. BORROWINGS**

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<i>Financial Liabilities at Amortized Cost - Secured</i>		
Murabaha finance	<b>25,000,000</b>	20,000,000
Zero-interest loan	<b>3,304,320</b>	3,304,320
Accrued finance cost	<b>776,148</b>	913,090
	<b>29,080,468</b>	24,217,410

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>10.1. LONG TERM BORROWINGS</b>		
Non-current portion	<b>26,885,840</b>	21,885,840
Current portion	<b>1,418,480</b>	1,418,480
Accrued finance cost	<b>776,148</b>	913,090
	<b>29,080,468</b>	24,217,410

**10.2. SHORT TERM BORROWINGS**

	<b>31 March 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<i>Financial Liabilities at Amortized Cost</i>		
Conventional loan – secured	<b>5,000,000</b>	10,000,000
Letter of credit Financing - unsecured	<b>4,117,185</b>	-
Accrued finance cost	<b>43,145</b>	73,467
	<b>9,160,330</b>	10,073,467

The Company has obtained this loan from a related party (affiliate) for the purpose of financing working capital needs. The bank facility bears finance costs at market prevailing rates and also have restricted cash deposits.

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

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

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

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

**11.1. Transactions during the Period**

Name of Related Party	Nature of Relationship	Nature of transactions	For the three-month period ended	
			31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Key management personnel	Board members	Board remuneration	562,884	510,500
		Payment to Board	-	-
	Key executive employees	Salaries, wages and other allowances	848,486	585,000
		Employees' post-employment benefits	67,915	50,085
National Bank of Bahrain	Affiliate	Finance cost on borrowings	41,773	-
		Repayment of borrowing	5,000,000	-

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

Name of related party	Nature of relationship	Nature of Balance	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Key management personnel	Board members	Board remuneration	1,992,170	1,429,286
		Salaries, wages and other allowances	848,486	3,833,210
	Key executive employees	Employees Post-Employment Benefit	67,915	167,082
National Bank of Bahrain	Affiliate	Short-term borrowings	5,043,145	10,073,467



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

**12. PROVISION FOR ZAKAT**

The movement in the provision for zakat is as follows:

	<b>For the three-month period ended 31 March 2023 (Unaudited)</b>	<b>For the year ended 31 December 2022 (Audited)</b>
Balance at the beginning of the year	7,859,107	7,572,018
Charged during the year	550,000	1,943,962
Prior year adjustment	-	850,149
Paid during the period	(1,618,344)	(2,507,022)
Balance at the end of the year	<b>6,790,763</b>	<b>7,859,107</b>

**12.1. Status of Assessment**

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

On 25 October 2018, the ZATCA issued zakat assessments for the years from 2011 to 2016 amounting to SAR 8.8 million. The Company has submitted an objection to the zakat assessments, and the objection is still under study by the General Secretariat of Tax Committees. The Company has made a provision amounting to SAR 2.9 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 not made any provision for this assessment based on the consultant's advice as the consultant believes that the decision will be in favour of the Company.

The Company is confident based on the consultant's assessment that there will not be any additional liability other than already provided.

**13. CONTINGENCIES AND COMMITMENTS**

**13.1.** The commitment to banks against letters of credit issued on the Company's behalf are SAR 5.2 million at 31 March 2023 (31 December 2022: SAR 3.5 million).

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

**14. OTHER INCOME**

		<b>For the three-month period ended</b>	
	<b>Note</b>	<b>31 March 2023 (Unaudited)</b>	<b>31 March 2022 (Unaudited)</b>
Reimbursement of Jeddah building	7	8,971,782	-
Government grant	14.1	829,746	904,204
Income from restricted cash deposit		463,228	-
Rental income		457,500	322,498
Income from term deposits		364,935	232,456
Others		1,939,729	2,447
		<b>13,026,920</b>	<b>1,461,605</b>

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

**14. OTHER INCOME (CONTINUED)**

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

**15. FINANCE COST**

	<b>For the three-month period ended</b>	
	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<u>Islamic finance facility:</u>		
- Murabaha	<b>399,200</b>	-
Lease liabilities	<b>183,279</b>	90,000
Conventional loan	<b>99,711</b>	-
Letter of credit financing	<b>1,372</b>	-
	<b>683,562</b>	90,000

**16. BASIC AND DILUTED LOSSES 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 the period, which amounted to 40,000,000 shares (31 March 2022: 40,000,000 shares).

	<b>For the three-month period ended</b>	
	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net Loss of the period	<b>898,880</b>	(15,510,219)
Weighted average number of shares outstanding during the year	<b>40,000,000</b>	40,000,000
Earnings per share (SAR)	<b>0.02</b>	(0.39)
-Basic	<b>0.02</b>	(0.39)
-Diluted	<b>0.02</b>	(0.39)

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

**17. SEGMENT INFORMATION**

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

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

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

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

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

	<b>Farm</b>	<b>Retail</b>	<b>Wholesale</b>	<b>Total</b>
<b>Revenue</b>				
External revenue	3,469,039	3,957,085	4,171,840	<b>11,597,964</b>
Internal revenue	(3,469,039)	1,819	3,467,220	-
<b>Expenses</b>	4,289,320	2,116,866	2,357,439	<b>8,763,625</b>
(Gain) / loss for fair value biological asset	-	-	-	-
Depreciation and amortization expense	718,607	819,704	864,191	<b>2,402,502</b>
Government grant	(829,746)	-	-	<b>(829,746)</b>
Interest income	(756,385)	-	-	<b>(756,385)</b>
	3,421,796	2,936,570	3,221,630	<b>9,579,996</b>
<b>OPERATING LOSS</b>	47,243	1,020,515	950,210	<b>2,017,968</b>
Finance cost	540,399	22,190	6,499	<b>569,088</b>
<b>NET LOSS BEFORE ZAKAT</b>	(493,156)	998,325	943,711	<b>1,448,880</b>
Zakat	164,509	187,653	197,838	<b>550,000</b>
<b>NET LOSS FOR THE YEAR</b>	(657,665)	810,672	745,873	<b>898,880</b>
<b>As at 31 March 2023</b>				
<b>Total Assets</b>	<b>244,793,779</b>	<b>27,330,041</b>	<b>35,483,484</b>	<b>307,607,304</b>
<b>Total Liabilities</b>	<b>58,791,712</b>	<b>21,816,750</b>	<b>23,133,168</b>	<b>103,741,630</b>
<b>As at 31 December 2022</b>				
<b>Total Assets</b>	<b>293,825,357</b>	<b>8,669,603</b>	<b>8,579,390</b>	<b>311,074,350</b>
<b>Total Liabilities</b>	<b>71,266,231</b>	<b>30,825,467</b>	<b>6,015,858</b>	<b>108,107,556</b>

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

**17. SEGMENT INFORMATION (CONTINUED)**

**For the three-month period ended 31 March 2022 - (Unaudited)**

	<b>Farm</b>	<b>Retail</b>	<b>Wholesale</b>	<b>Total</b>
<b>Revenue</b>				
External revenue	8,312,853	7,798,177	868,511	16,979,541
Internal revenue	(8,312,853)	55,499	8,257,354	-
<b>Expenses</b>	23,180,635	9,196,608	2,341,466	34,718,709
(Gain) / loss for fair value biological asset	(3,836,813)	-	-	(3,836,813)
Depreciation and amortization expense	1,005,855	943,579	105,090	2,054,524
Government grant	(904,204)	-	-	(904,204)
Interest income	(232,456)	-	-	(232,456)
	19,213,017	10,140,187	2,446,556	31,799,760
<b>OPERATING LOSS</b>	(10,900,164)	(2,342,010)	(1,578,045)	(14,820,219)
Finance cost	55,869	33,122	1,009	90,000
<b>NET LOSS BEFORE ZAKAT</b>	(10,956,033)	(2,375,132)	(1,579,054)	(14,910,219)
Zakat	293,748	275,561	30,691	600,000
<b>NET LOSS FOR THE YEAR</b>	(11,249,781)	(2,650,693)	(1,609,745)	(15,510,219)
<b><u>As at 31 March 2022</u></b>				
<b>Total Assets</b>	285,277,883	22,810,984	9,181,967	317,270,834
<b>Total Liabilities</b>	31,508,527	26,815,150	3,188,300	61,511,977
<b><u>As at 31 December 2021</u></b>				
<b>Total Assets</b>	313,779,170	18,092,188	9,426,091	341,297,449
<b>Total Liabilities</b>	21,089,082	38,921,732	10,017,559	70,028,373

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

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**18. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

When measuring the fair value, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

<b>31 March 2023 - (Unaudited)</b>	<b>Fair value Level</b>			<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
<b>FINANCIAL ASSET</b>				
Financial assets at fair value Through profit or loss	<b>33,545</b>	-	-	<b>33,545</b>
<b>31 December 2022 - (Audited)</b>	<b>Fair value Level</b>			<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
<b>FINANCIAL ASSET</b>				
Financial assets at fair value Through profit or loss	33,545	-	-	33,545

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

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

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**19. SIGNIFICANT EVENTS**

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

The Company's current head office land and building in Riyadh is provided by the government without any rental payments. During the year 2022, the ownership of Riyadh land has been transferred to the Company, but it is still not recorded in the Company's books as of 31 March 2023, as the Company is currently waiting for the completion of procedures for including the value of the land within Company's capital as stipulated by the Royal Decree, subject to completion of other necessary legal formalities from the relevant authorities.

**20. RECLASSIFICATION OF PRIOR PERIOD FIGURES**

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

**21. SUBSEQUENT EVENTS**

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

**22. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were approved and authorized for issue on 2 Dhu al-Qa'dah 1444H (corresponding to 22 May 2023) by the Board of Directors of the Company.