

**JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**  
**AND**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

**JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**  
**AND INDEPENDENT AUDITOR’S REVIEW REPORT**

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**PKF**Ibrahim Ahmed Al-Bassam  
& Co. Certified Public Accountants**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
TO THE SHAREHOLDERS OF JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)****INTRODUCTION**

We have reviewed the accompanying interim consolidated statement of financial position of Jazan Energy and Development Company (JAZADCO) ("the Company") and its subsidiaries (collectively referred to as the "Group") As of 30 September, 2023, and the interim consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the interim consolidated statements of changes in equity and the interim consolidated statements of cash flows for the nine month then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim consolidated 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 consolidated financial statements based on our review.

**SCOPE OF REVIEW**

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

**CONCLUSION**

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

**OTHER MATTER**

The consolidated financial statements of the Company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 28 March 2023. Further, the interim consolidated financial statements of the Company for the nine-month period ended 30 September 2022 were reviewed by another auditor who expressed an unmodified review conclusion on those interim consolidated financial statements on 8 November 2022.

**For Al Bassam & Co.**

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

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Corresponding to: 15 November 2023

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**JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

		30 September 2023 (Unaudited)	31 December 2022 (Audited)
	Note		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant, and equipment		223,346,859	221,417,357
Investment properties	5	226,304,715	227,233,700
Right of use asset		-	253,314
Intangible assets		2,097,917	2,500,808
Investment in associate	6	11,660,814	3,548,828
Investments carried at fair value through OCI	7	62,365,000	58,640,000
<b>Total non-current assets</b>		<b>525,775,305</b>	<b>513,594,007</b>
<b>Current assets</b>			
Biological assets	8	44,037,536	33,877,511
Inventory		35,872,171	30,314,268
Trade receivables, net		26,496,115	23,735,624
Prepayment and other receivables		13,982,610	11,038,486
Investments carried at fair value through P&L		-	23,257,325
Cash and cash equivalents		4,562,877	2,045,809
<b>Total current assets</b>		<b>124,951,309</b>	<b>124,269,023</b>
<b>Total assets</b>		<b>650,726,614</b>	<b>637,863,030</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		500,000,000	500,000,000
Statutory reserve		85,409,994	85,409,994
Revaluation of Investments carried at fair value through OCI reserve		(7,910,000)	(7,910,000)
Foreign currency translation reserve		(2,031,188)	(1,365,674)
Accumulated losses		(11,077,184)	(29,724,136)
<b>Total equity attributable to the company's shareholders</b>		<b>564,391,622</b>	<b>546,410,184</b>
Non-controlling interests		124,147	175,097
<b>Total equity</b>		<b>564,515,769</b>	<b>546,585,281</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term loans	10	21,786,227	5,662,440
Employees benefit obligations		7,882,929	7,826,008
Lease liabilities		-	184,969
<b>Total non-current liabilities</b>		<b>29,669,156</b>	<b>13,673,417</b>
<b>Current liabilities</b>			
Long-term loans – current portion	10	590,278	19,081,916
Lease liabilities – current portion		-	34,104
Due to related party		-	15,000
Dividends and shareholders payable		5,367,983	5,625,183
Commitment against the loan guarantee of an associate	11	16,825,085	14,619,841
Trade payable, accrued expenses, and other liabilities		20,695,846	24,286,037
Zakat provision	12	13,062,497	13,942,251
<b>Total current liabilities</b>		<b>56,541,689</b>	<b>77,604,332</b>
<b>Total liabilities</b>		<b>86,210,845</b>	<b>91,277,749</b>
<b>Total equity and liabilities</b>		<b>650,726,614</b>	<b>637,863,030</b>

Chief Financial Officer  
Ehab Refaei Abd Elsalam

Chief Executive Officer  
Mohammed bin Abdullah Al-Rasheed

Delegated Board Member  
Abdullellah Melhem Al-Mufeez

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

**JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	Note	For the Three-month period ended		For the Nine-month period ended	
		30	30	30	30
		September 2023 (Unaudited)	September 2022 (Unaudited)	September 2023 (Unaudited)	September 2022 (Unaudited)
Revenues	14	17,354,940	13,239,614	72,287,133	57,397,063
Cost of revenues	14	(13,788,085)	(7,972,474)	(53,681,438)	(51,673,187)
Gain on Fair valuation of biological assets	8	2,804,239	-	5,829,473	11,767,657
<b>Gross profit</b>		<b>6,371,094</b>	<b>5,267,140</b>	<b>24,435,168</b>	<b>17,491,533</b>
General and administrative expenses		(3,040,724)	(4,851,417)	(13,643,564)	(16,860,468)
Selling and Marketing expenses		(1,419,577)	(1,244,835)	(5,246,191)	(5,502,797)
Reversal of expected credit losses allowance		2,412,704	-	2,412,704	-
Provision for recoverability of advance to suppliers		(502,408)	-	(502,408)	-
Other revenues		1,187,907	323,237	3,305,094	1,815,155
Group's share of the result of an associate	6	839,076	-	9,640,710	494,501
<b>Profit/ (loss) from main activities</b>		<b>5,848,072</b>	<b>(505,875)</b>	<b>20,401,513</b>	<b>(2,562,076)</b>
Finance costs	14	(58,830)	(296,998)	(474,155)	(803,306)
Gain from the sale of property, plant and equipment		-	-	-	31,369,333
Unrealized gain on revaluation of investments at fair value through profit or loss		30	37,855	213,644	37,855
<b>Net profit/ (loss) for the period before zakat</b>		<b>5,789,272</b>	<b>(765,018)</b>	<b>20,141,002</b>	<b>28,041,806</b>
Zakat	12	(515,000)	(415,000)	(1,545,000)	(1,245,000)
<b>Net profit/ (loss) for the period after zakat</b>		<b>5,274,272</b>	<b>(1,180,018)</b>	<b>18,596,002</b>	<b>26,796,806</b>
<b>Comprehensive (loss) / income</b>					
<b>Items that may be subsequently reclassified to the consolidated statement of profit or loss</b>					
Foreign currency translation for an associate		-	-	(665,514)	-
<b>Items that will not be subsequently reclassified to the consolidated statement of profit or loss</b>					
Group's share of other comprehensive income of the associate		-	-	-	39,440
<b>Total other comprehensive (loss) / income for the period</b>		<b>-</b>	<b>-</b>	<b>(665,514)</b>	<b>39,440</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>5,274,272</b>	<b>(1,180,018)</b>	<b>17,930,488</b>	<b>26,836,246</b>
<b>Net profit/(loss) for the period attributable to:</b>					
Shareholders of the parent company		5,456,343	(1,081,138)	18,646,952	27,249,386
Non-controlling interests		(191,071)	(98,880)	(50,950)	(452,580)
<b>Net profit/ (loss) for the period</b>		<b>5,274,272</b>	<b>(1,180,018)</b>	<b>18,596,002</b>	<b>26,796,806</b>
<b>Total comprehensive income / (loss) for the period attributable to:</b>					
Shareholders of the parent company		5,456,343	(1,081,138)	17,981,438	27,288,826
Non-controlling interests		(191,071)	(98,880)	(50,950)	(452,580)
<b>Total comprehensive income / (loss) for the period</b>		<b>5,274,272</b>	<b>(1,180,018)</b>	<b>17,930,488</b>	<b>26,836,246</b>
<b>Earnings / (losses) per share</b>					
Basic and diluted earnings per share in net profit / (loss) for the period	13	0.11	(0.02)	0.37	0.54

Chief Financial Officer  
Ehab Refaai and Elsalam


Chief Executive Officer  
Mohammed bin Abdullah Al-Rasheed

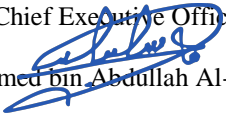
Delegated Board Member  
Abdullah Melhem Al-Mufeez

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

**JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023 (Unaudited)**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	Share capital	Statutory reserve	Revaluation of Investments carried at fair value through OCI reserve	Foreign currency translation reserve	Accumulated losses	Total equity attributable to the company's shareholders	Non-controlling interests	Total equity
Balance as at 1 January 2022 (Audited)	500,000,000	85,409,994	2,900,000	-	(45,727,058)	542,582,936	1,013,613	543,596,549
Net profit for the period	-	-	-	-	27,249,386	27,249,386	(452,580)	26,796,806
Other comprehensive income for the period	-	-	-	-	39,440	39,440	-	39,440
Total comprehensive income for the period	-	-	-	-	27,288,826	27,288,826	(452,580)	26,836,246
Balance as at 30 September 2022 (Unaudited)	500,000,000	85,409,994	2,900,000	-	(18,438,232)	569,871,762	561,033	570,432,795
<b>Balance as at 1 January 2023 (Audited)</b>	<b>500,000,000</b>	<b>85,409,994</b>	<b>(7,910,000)</b>	<b>(1,365,674)</b>	<b>(29,724,136)</b>	<b>546,410,184</b>	<b>175,097</b>	<b>546,585,281</b>
<b>Net profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,646,952</b>	<b>18,464,952</b>	<b>(50,950)</b>	<b>18,596,002</b>
<b>Other comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(665,514)</b>	<b>-</b>	<b>(665,514)</b>	<b>-</b>	<b>(665,514)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(665,514)</b>	<b>18,646,952</b>	<b>17,981,438</b>	<b>(50,950)</b>	<b>17,930,488</b>
<b>Balance as at 30 September 2023 (Unaudited)</b>	<b>500,000,000</b>	<b>85,409,994</b>	<b>(7,910,000)</b>	<b>(2,031,188)</b>	<b>(11,077,184)</b>	<b>564,391,622</b>	<b>124,147</b>	<b>564,515,769</b>

Chief Financial Officer  
  
Ehab Refa'ei and Elsalam

Chief Executive Officer  
  
Mohammed bin Abdullah Al-Rasheed

Delegated Board Member  
  
Abdulkhan Melhem Al-Mufeez

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



**JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

		For the Nine-month period ended	
	Note	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net profit before zakat		20,141,002	28,041,806
<b>Adjustments to reconcile net profit for the period before zakat:</b>			
Depreciation of property, plant and equipment		6,352,112	6,558,071
Depreciation of investments properties	5	2,371,516	2,371,516
Amortization of intangible assets		402,891	1,015,000
Gain from the sale of property and equipment		-	(31,369,333)
Gain on Fair valuation of biological assets	8	(5,829,473)	(11,767,657)
Unrealized gains of investments at fair value through profit or loss		(213,644)	(37,855)
Reversal of expected credit losses allowance		(2,412,704)	-
Provision for recoverability of advance to suppliers		502,408	-
Provision for Slow moving Items		-	1,300,000
Group's share in the associate's business results	6	(4,099,155)	(494,501)
Group's share of payments under the capital increase during the period	6	(5,541,555)	-
Charge for commitment against an associate company's loan guarantee		2,205,244	-
Employees benefit obligations		931,855	1,083,061
Finance costs		474,155	803,306
		<b>15,284,652</b>	<b>(2,496,586)</b>
<b>Changes in operating assets and liabilities:</b>			
Inventories		(5,557,903)	360,957
Biological assets	8	(4,330,552)	57,961
Trade receivables		2,064,917	12,280,775
Prepayment and other receivables		(3,948,940)	(3,220,908)
Trade payable, accrued expenses, and other liabilities		(3,590,191)	(3,656,675)
Due to related party		(15,000)	(15,000)
<b>Cash (used in) /Generated from operating activities</b>		<b>(93,017)</b>	<b>3,310,524</b>
Employees post-employment benefits paid		(874,934)	(2,794,928)
Finance costs paid		(210,369)	(127,560)
Zakat paid	12	(2,424,754)	(1,824,312)
<b>Net cash flow used in operating activities</b>		<b>(3,603,074)</b>	<b>(1,436,276)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions on Property, plant, and equipment		(4,630,122)	(2,355,386)
Proceeds from disposal of property, plant and equipment		-	33,333,333
Additions on Investments properties	5	(1,442,531)	(70,598)
Additions on Intangible assets		-	(13,125)
Additions on Projects under process		(3,651,492)	(6,106,379)
Dividends received from an investment in an associate	6	863,210	-
Proceeds from selling investments at FVTPL		23,257,325	-
Additions of investments at FVTPL		-	(25,000,000)
Additions of investments at fair value through OCI	7	(3,725,000)	-
<b>Net Cash flow used in investing activities</b>		<b>10,671,390</b>	<b>(212,155)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
long-term loans paid	10	(4,074,975)	(3,851,653)
Lease liabilities paid		(219,073)	(57,500)
Dividends and shareholders payable		(257,200)	(4,500)
<b>Net Cash flows used in financing activities</b>		<b>(4,551,248)</b>	<b>(3,913,653)</b>
<b>Net change in cash and cash equivalents</b>		<b>2,517,068</b>	<b>(5,562,084)</b>
Cash and cash equivalents at the beginning of the period		2,045,809	15,364,149
<b>Cash and cash equivalents at the end of the period</b>		<b>4,562,877</b>	<b>9,802,065</b>

Chief Financial Officer  
Ehab Refael abd Elsalam

Chief Executive Officer  
Mohammed bin Abdullah Al-Rasheed

Delegated Board Member  
Abdulellah Melhem Al-Mufreez

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

**JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

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**1-LEGAL STATUS AND OPERATIONS**

Jazan Energy and Development Company (JAZADCO) was registered as a Saudi joint-stock company with commercial registration number 5900005403 issued in Jazan City on 29 Safar 1414 H (corresponding to 18 August 1993). The Share Capital of the Company amounted to SAR 500,000,000 divided into 50,000,000 shares with a value of Saudi Riyal 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.

The company's head office address is in Jizan, Corniche Road, P.O. Box 127, Kingdom of Saudi Arabia.

The group practice license was obtained as follows:

<u>License number</u>	<u>Date</u>	<u>City</u>	<u>Purpose</u>
2852 / p	30 Dhu al-Qidah 1428 AH	Jazan	Producing healthy drinking water
5/3/6524	1 Safar 1425 AH	Jazan	Shrimp breeding
21/10/032101/001	1 Safar 1425 AH	Jazan	Shrimp breeding
431105114869	22 Safar 1433 AH	Sabya	Producing healthy drinking water
2210	13 Rajab 1438 AH	Samtah	Frozen shrimp production

The accompanying interim condensed consolidated financial statements include the assets, liabilities and business results of the parent company, its branches and the following subsidiaries:

**Subsidiary Records of the Parent Company**

<u>Branch name</u>	<u>CR No.</u>	<u>City</u>	<u>Activity</u>
Branch of Jazadco Real Estate Company	5900011471	Jazan	Buying, selling, and renting land and real estate.
Branch of Jazadco Real Estate Company	5900114667	Jazan	Buying, selling, and renting land and real estate.
Branch of Jazan Development Company Factory for the healthy drinking water production	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	Mango cultivation and fruit seedlings.
Branch of Jazan Development Company (JAZADCO) for preparing, freezing, and packing shrimp	5907035800	Samtah	Preserving fish and importing feed.
Branch of Jazan Development Company (JAZADCO)	1010689407	Riyadh	Main office activities (supervision and management of other units in the company or organization).
Branch of Jazan Development Company (JAZADCO)	5906036052	Sabya	Refrigerated food stores.
Branch of Jazan Development Company (JAZADCO)	5906336121	Sabya	Transportation of goods.
Branch of Jazan Development Company (JAZADCO)	5906333517	Sabya	Cutting, packing and wrapping fruits and vegetables.



**JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**1- LEGAL STATUS AND OPERATIONS (CONTINUED)**

**Subsidiaries companies:**

Name of the subsidiary company	Country	CR No.	The main activity of the company	Ownership percentage	
				As at 30 September 2023	As at 31 December 2022
Fish Day Company	KSA	1010894462	Wholesale of aquatic fish, retail sale of fish and other seafood and its products, online retail, transportation of refrigerated and frozen goods.	80%	80%
Mango Jazan Trading Company	KSA	5900022171	Retail via the Internet.	65%	65%

**2- BASIS OF PREPARATION**

**2-1 Statement of compliance**

These interim condensed consolidated 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"). These interim condensed consolidated financial statements do not include all the information and explanations required for the Group. Complete from the annual consolidated financial statements, and the results for the period ending on September 30, 2023 are not necessarily indicative of the results that can be expected for the year ending on December 31, 2023. It should also be read in conjunction with the latest consolidated financial statements for the year ending on December 31, 2022. However, selected explanatory notes have been included to explain important events and transactions in order to understand the changes in the financial position and financial performance of the company since December 31, 2022.

**2-2 Basis of measurement**

These interim condensed consolidated financial statements have been prepared in accordance with the historical cost basis Except for the following items:

- Investments at fair value through other comprehensive income are measured at fair value.
- Investments at fair value through profit or loss are measured at fair value.
- Biological assets (Shrimps) are measured at fair value and Agricultural crops by the cost.

**2-3 Functional and presentation currency**

These interim condensed consolidated financial statements have been presented in Saudi Riyals (SR) 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.

**2-4 Use of judgments and estimates**

In preparing these interim condensed consolidated financial statements, management has made judgments and estimates, if any, that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis for making judgments about 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. Revisions to accounting estimates are 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 current and future periods.

The significant estimates made by management in applying the company's accounting policies and the significant sources of estimation uncertainty were similar to those disclosed in the most recent annual financial statements.

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

### **2-5 BASIS OF CONSOLIDATION**

These interim condensed consolidated financial statements include the interim condensed consolidated statement of financial position, the interim condensed statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated statement of cash flows, as well as the notes to the condensed consolidated financial statements of the group, as they include The assets, liabilities and business results of the Group and its subsidiaries are as indicated in Note No. (1). Subsidiaries are companies controlled by the Group. The group controls the company 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 over the group. Subsidiaries are consolidated from the date the Group gains control over the subsidiaries until the date that control ceases. The Group uses the purchase method to account for business combinations when control is transferred to the Group. The cost of acquisition is measured at the fair value of the assets acquired. The excess of the cost of acquisition plus the fair value of the non-controlling interest over the identifiable net assets acquired is recorded as goodwill in the interim condensed consolidated statement of financial position. Non-controlling interest is measured by its share of the net assets of the controlled group at the date of acquisition. The share of profit or loss and net assets not owned by the Group are presented and presented as a separate line item in the interim condensed consolidated statement of profit or loss and other comprehensive income and within equity in the interim condensed consolidated statement of other comprehensive income. Transactions as well as balances and unrealized gains and losses resulting from intra-group transactions are eliminated. Accounting policies of subsidiaries are changed 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 by their proportionate share of net identifiable assets at the acquisition date.

#### **Loss of control**

If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, non-controlling 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 Loss of control

If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, non-controlling 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 are eliminated when consolidating the interim condensed consolidated financial statements**

Balances, transactions, unrealized expenses, and returns 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- SIGNIFICANT ACCOUNTING POLICIES**

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

## **4- NEW STANDARDS, AMENDMENTS TO STANDARDS, AND INTERPRETATIONS**

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2023 and has been explained in group annual consolidated financial statements, but they do not have a material effect on the interim condensed consolidated financial statements. There is no significant effect on interim condensed consolidated financial statements.

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**5- INVESTMENTS PROPERTIES**

	<b>Lands</b>	<b>Building</b>	<b>Projects under construction</b>	<b>Total</b>
<b>COST</b>				
Balance as at 01 January 2023	26,515,841	224,020,585	16,272,426	266,808,852
Additions during the period	-	-	<b>1,443,531</b>	<b>1,442,531</b>
<b>Balance as at 30 September 2023</b>	<b>26,515,841</b>	<b>224,020,585</b>	<b>17,715,957</b>	<b>268,251,383</b>
<b>Accumulated depreciation</b>				
Balance as at 01 January 2023	-	39,575,152	-	39,575,152
Depreciation during the period	-	<b>2,371,516</b>	-	<b>2,371,516</b>
<b>Balance as at 30 September 2023</b>	-	<b>41,946,668</b>	-	<b>41,947,668</b>
<b>Net book value as at 30 September 2023</b>	<b>26,515,841</b>	<b>182,073,917</b>	<b>17,714,957</b>	<b>226,304,715</b>

The following is the measurement data for fair value in accordance with IFRS 13 as shown below:

	<b>Fair valuation method</b>	<b>Significant Inputs and valuation assumptions</b>	<b>Fair value as at 31 December 2022</b>
<b>Lands and buildings</b>	Market approach	Recent transactions	303,093,000

The valuation techniques used are classified as level 2 fair value.

The real estate valuation mechanism applied in evaluating investment real estate is compatible with the International Valuation Standards Council and with the directives of the Saudi Authority for Accredited Valuers "Taqeem".

<b>The Site</b>	<b>Purpose</b>	<b>Book value</b>	<b>Fair valuation method</b>	<b>Fair value amount based on valuation</b>
Jazan	Leasing	226,304,715	Market	303,093,000

The following is the data of the evaluator who conducted an evaluation of the investment properties:

<b>Valuer</b>	<b>License number</b>	<b>Valuer's qualifications</b>
Momtalakati group for real estate appraisal	1210000305	Licensed by the Saudi Authority for Accredited Residents (Taqeem)

- The value of these investments was recorded according to the cost model. The group evaluated its investment properties as of December 31, 2022 by an independent valuation expert.

- The projects under implementation represent construction of buildings on Company's land.

**6- INVESTMENT IN ASSOCIATE**

Investment in associate consist of the following:

<b>Company</b>	<b>Country</b>	<b>Ownership percentage</b>	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Rakhaa for Agricultural Investment and Development Company	Egypt	21.6%	<b>11,660,814</b>	3,548,828
Jannat Agricultural Investment Company	KSA	27.8%	-	-
			<b>11,660,814</b>	3,548,828

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Jannat Agricultural Investment Company (a Saudi limited liability company) owns an investment of 77.73% of the capital of Rakhaa for Agricultural Investment and Development Company, which is a company based in the Arab Republic of Egypt (an Egyptian joint stock company) that produces agricultural crops. Due to the failure of Jannat Company and being under liquidation, on January 2, 2020, the ownership of 17,288 shares of Rakhaa for Agricultural Investment and Development Company was transferred to Jazan Energy and Development Company (JAZADCO), which represents 21.61% of the total shares number of shares of the company. Net assets of Rakhaa for Agricultural Investment and Development company, as at December 31, 2021, amounted to deficit of 259.6 million Egyptian pounds, which is equivalent to 61.7 million Saudi riyals, and the value of that investment was not recorded due to the existence of that deficit in shareholders' equity according to the company's latest audited financial statements, a provision for impairment of the investment has been fully charged.

On July 18, 2022, the General Assembly of Rakhaa for Agricultural Investment and Development Company approved the decision of the Board of Directors dated March 20, 2022 to transfer the Saudi Fund for Development loan amounting to 327 million Egyptian pounds from a loan in favor of the Saudi Fund for Development loan to a loan in favor of the partners without any interest, in addition to transferred the entire loan to the owners' equity to close the accumulated losses shown in the changes equity statement by amount 316 million Egyptian pounds, in addition to increase the capital up to the legal limit by amount 10.9 million Egyptian Pound, where it transferred the due amount for Saudi fund to owners' equity of Rakhaa for agricultural investment and development company under name "Capital increases" for capital increasing (additional capital). Because of these changes during 2022, reinstating the investment by amounting SAR 3,548,828.

No financial statements were issued for the period ended on September 30, 2023 for the associate company, as the group recorded and estimated its share in the associate company's business results based on administrative financial statements for the same period.

The following is the summary statement of financial position of Rakhaa Agricultural Investment Company:

	<b>30 September 2023</b> <b>(Unaudited)</b>	<b>31 December 2022</b> <b>(Audited)</b>
Current Assets	<b>42,713,610</b>	32,849,438
Non-current Assets	<b>29,529,844</b>	30,080,744
Current liabilities	<b>(16,724,009)</b>	(44,679,612)
Non-current liabilities	<b>(1,559,177)</b>	(1,820,810)
Equity	<b>53,960,268</b>	16,429,760
The company's share in equity – 21.61%	<b>11,660,814</b>	3,548,828
The book value of the company's investment in Rakhaa Company	<b>11,660,814</b>	3,548,828

The following is the summary statement of income of Rakhaa Agricultural Investment Company:

	<b>30 September 2023</b> <b>SAR</b> <b>(Unaudited)</b>	<b>31 December 2022</b> <b>SAR</b> <b>(Audited)</b>
Net profit for the year	<b>16,936,617</b>	6,215,912
<b>The company's share in income vat – 21.61%</b>	<b>3,660,003</b>	1,342,637
Other comprehensive for the year	-	9,265
<b>The company's share in other comprehensive for the year – 21.61%</b>	-	2,001

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**6- INVESTMENTS IN ASSOCIATE COMPANIES (CONTINUED)**

The movement in Rakhaa for Agricultural Investment and Development Company investment is as follows:

	For the Nine-month period ended 30 September 2023 (Unaudited)	For the year ended 31 December 2022 (Audited)
Beginning balance period / year	3,548,828	3,248,741
Group's share in the associate's profit during the period/year	3,660,003	1,663,296
The group's share of payments under the capital increase during the period/year	5,541,555	-
Other adjustments	439,152	-
	9,640,710	1,663,296
Dividends received	(863,210)	-
Group's share in foreign currency translation differences during period/ year	(665,514)	(1,365,674)
Group's share in the associate's other comprehensive income during period/ year	-	2,465
<b>Balance at the end of the period /year</b>	<b>11,660,814</b>	<b>3,548,828</b>

**Investment in Jannat Agricultural Investment Company**

The activity of Jannat Agricultural Investment Company is to establish agricultural projects, animal production and poultry, registered in the Commercial Register in Riyadh No. 1010241588, on Jumada al-Akhir 18 1439 H corresponding to March 6, 2018. The partners in Jannat Agricultural Investment Company decided to liquidate the company because the accumulated losses exceeded more than half of its capital. Accordingly, Jazan Energy and Development Company decided to close the entire value of the investment in the financial statements during the year 2018, with regard to the procedures related to the liquidation of the Jannat Agricultural Investment Company. The liquidation procedures are still continuing until the date of approving the the interim condensed consolidated financial statements.

**7- Investments carried at fair value through OCI**

Financial investment at fair value through other comprehensive income are represented of shares in companies that are not held for trading, for which the Group has irrevocably elected on initial recognition to recognize changes in fair value Through other comprehensive income, the preliminary condensed consolidated statement instead of the statement of profit or loss as that option more convenient. Investment carried at fair value through other comprehensive income are composed as follows:

**As at 30 September 2023 (Unaudited)**

**Reserve for revaluation of financial investment at fair value through OCI**

<u>Company</u>	<u>Ownership percentage</u>	Cost balance as At the beginning Of the period	Addition during the period	As at the beginning of the period	Fair value as at the end of the period
Al Reef Sugar Refining Company	15%	45,000,000	3,725,000	(6,620,000)	42,135,000
Tabuk Fish Company	10%	21,550,000	-	(1,290,000)	20,260,000
		<b>66,550,000</b>	<b>3,725,000</b>	<b>(7,910,000)</b>	<b>62,356,000</b>

**As at 31 December 2022 (Audited)**

<u>Company</u>	<u>Ownership percentage</u>	Cost balance as at the beginning of the year	Transferred from investment in associate	Fair value of the Group's share in the investment at the date of transition	As at the beginning of the year	Revaluation loss during the year	As at the end of the year	Fair value as at the end of the year
Al Reef Sugar Refining Company	15%	45,000,000	-	-	2,900,000	(9,520,000)	(6,620,000)	38,380,000
Tabuk Fish Company	10%	-	19,358,789	2,191,211	-	(1,290,000)	(1,290,000)	20,260,000
		<b>45,000,000</b>	<b>19,358,789</b>	<b>2,191,211</b>	<b>2,900,000</b>	<b>(10,810,000)</b>	<b>(7,910,000)</b>	<b>58,640,000</b>

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	<b>For the Nine-month period ended</b>		<b>For the year ended</b>	
	<b>30 September 2023</b>		<b>31 December 2022</b>	
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>Shrimp</b>	<b>Agricultural crops</b>	<b>Shrimp</b>	<b>Agricultural crops</b>
	<b>(at fair value)</b>	<b>(Cost)</b>	<b>(at fair value)</b>	<b>(Cost)</b>
Book value as at 1 January	32,380,765	1,496,746	20,810,116	2,514,661
Addition	41,960,790	2,532,877	56,456,682	959,067
Transfer to inventory	(34,688,837)	(2,449,044)	49,211,611	1,976,982
Gain on Fair valuation of biological assets	2,804,239	-	4,325,578	-
Book value	42,456,957	1,580,579	32,380,765	1,496,746

A measurement was made of the fair value biological assets for the period ended on September 30, 2023 by an independent and accredited valuer specialized in assessing the quality of biological assets held by the group. The fair value of biological assets “shrimp” as on September 30 ,2023 amounted to SAR 42,456,957 (December 31, 2022: SAR 32,380,765).

<b>Valuer</b>	<b>Membership NO</b>	<b>Valuer's qualifications</b>	<b>Basis for valuation</b>
The Saudi Group for Asset Evaluation and Valuation	1210000272	Accredited Valuers registered with Saudi Authority for Accredited Valuers	Market value
The Saudi Group for Asset Evaluation and Valuation	1210000273	Accredited Valuers registered with Saudi Authority for Accredited Valuers	Market value

**9- TRANSACTIONS WITH RELATED PARTIES**

The Group, through its normal activities, deals with related parties, and these transactions include mainly a key management benefit. Transactions with related parties for the period ended September 30 are as follows:

	<b>For the Nine-month period ended</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Key management benefits</b>		
Executives benefits	2,131,486	2,679,146
Benefits of the board of directors and committees	201,000	294,000



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**10- LONG TERM LOANS**

**Long-term loans represent as below:**

**Agricultural Development Fund loan**

- On Shaaban 8, 1442 AH (March 21, 2021), Jazan Energy and Development Company signed a long-term loan agreement with the Saudi Agricultural Development Fund in the amount of 15,000,000 Saudi riyals for the purpose of financing the shrimp breeding project. The loan is secured by mortgaging land title deeds within property, machinery and equipment, the loan agreement included conditions regarding Jazan Energy and Development Company's commitment to certain financial ratios and conditions. The amount of 15,000,000 SAR is to be paid in one installment on Shawwal 1, 1446 AH (corresponding to March 31, 2025). During the quarter of the year 2023, the company obtained a final approval to postpone the payment of the loan installment for a period of two years.

- On Shaaban 8, 1442 AH (March 21, 2021), Jazan Energy and Development Company signed a long-term loan agreement with the Saudi Agricultural Development Fund in the amount of SAR 5,902,781. An amount of SAR 5,902,781 was received for the purpose of financing the shrimp breeding project. The loan is secured by mortgaging title deeds. Lands within property, machinery and equipment the loan agreement included conditions regarding Jazan Energy and Development Company's commitment to certain financial ratios and conditions. An amount of SAR 5,902,781 is to be paid in annual installments, the value of one installment is 590,278, provided that the first installment is paid on March 21, 2024.

**Al Rajhi Bank loan**

- On Shawwal 17, 1438 AH (corresponding to July 11, 2017), Jazan Energy and Development Company signed a facility agreement with Al-Rajhi Bank, and the value of those facilities amounted to SAR 40,000,000. An amount of SAR 14,996,712 was received for the purpose of financing the group's projects in return for mortgaging buildings included in real estate investments and the assignment of annual rents for the mortgaged buildings, in addition to promissory notes and a fine and performance guarantee signed by the main shareholders of the group. The loan agreement included conditions regarding the commitment of Jazan Energy and Development Company to some percentages. and financial terms.

Al Rajhi Bank loan was repaid on the date of 29 Muharram 1445 AH (corresponding to 16 August 2023), and accordingly the mortgage was released.

The movement in long-term loans is as follows:

	<b>For the Nine-month period ended</b>	<b>For the year ended</b>
	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Balance at the beginning of the period /year	<b>27,320,003</b>	30,068,410
Proceed during the period/ year	-	2,678,246
Loans payment during the period/ year	<b>(4,074,975)</b>	(5,426,653)
<b>Balance at the end of the period/ year</b>	<b>23,245,028</b>	27,320,003
Less: present value of loan balances	<b>(229,427)</b>	(514,914)
Less: deferred interest	<b>(639,096)</b>	(485,736)
Early repayment discount from the Agricultural Development Fund	-	(1,574,997)
<b>Balance at the end of the period/ year</b>	<b>22,376,505</b>	24,744,356
Current portion of long-term loans	<b>590,278</b>	19,081,916
Non-current portion of long-term loans	<b>21,786,227</b>	5,662,440

## **11- COMMITMENT AGAINST THE LOAN GUARANTEE OF AN ASSOCIATE**

On October 24, 2016, the Saudi Fund for Development notified the Jannat Agricultural Investment Company that as at October 24, 2016, the loan due to the Fund from Rakhaa for Agricultural Investment and Development (an associate company) has been implicitly transferred to the guarantors of the loan with a guarantee of fines, performance, and the request of the guarantor partners to quickly pay the obligations on the partners, as Jazan Energy and Development Company (Jazadco) is a partner in the Jannat Agricultural Investment Company, so a provision has been made with a value equivalent to the loan guarantee percentage of Jazan Energy and Development Company (Jazadco), which is 21.61%, the balance of the commitment against the loan of the associate group as at September 30, 2023 amounted to SAR 16,825,085 (December 31, 2022: SAR 14,619,841).

## **12- ZAKAT PROVISION**

### **Zakat statute**

#### **Jazan Energy and Development Company (JAZADCO)**

##### **Years from 2006 until 2010:**

The Zakat, Tax and Customs Authority has issued the amended zakat and tax assessment by imposing additional zakat of SAR 11,844,023, and a withholding tax (paid in excess) of SAR 1,134,079. The dispute was requested to be settled before the Tax Zakat Dispute Settlement Committee of the Authority, but no satisfactory result was reached for the company.

##### **Years from 2014 until 2018:**

The Zakat, Tax and Customs Authority issued a zakat assessment on the group for those years by imposing additional zakat in the amount of SAR 4,434,244, and the zakat differences claimed by the authority in the initial assessment were reduced, and the final additional difference was objected to, and the objection was escalated before the tax adjudication committees, and the decision of the adjudication committee was issue for the years from 2015 to 2018, with the acceptance of the land deduction clause - which is one of the items affecting the differences - and the rest of the items were appealed. As for the year 2014, it is still under the Preliminary committees.

##### **Years 2019, 2020**

The Zakat, Tax and Customs Authority issued the zakat assessment by imposing additional zakat in the amount of SAR 1,426,660 for the year 2019, and the amount of SAR 1,920,951 for the year 2020, and an objection was submitted to the additional amounts, and a decision was issued by the Authority to reject the 2019 objection, and the objection was escalated before the tax adjudication committees, and awaiting the authority's decision regarding the 2020 objection. The objections submitted by the group are based on the zakat law and the executive regulations.

##### **Years 2021, 2022**

The company submitted zakat returns for the year ended 2021 and 2022.

#### **Fish Day Company (Subsidiary)**

The company submitted zakat returns for the year ended on December 31, 2022, and the company did not obtain the zakat assessment from the Zakat, Tax and Customs Authority.

#### **Mango Jazan Company (subsidiary)**

The company submitted zakat returns for the year ended on December 31, 2022, and the company did not obtain the zakat assessment from the Zakat, Tax and Customs Authority.

### **- The movement in zakat provision is as follows:**

	<b>For the Nine-month period ended</b>	<b>For the year Ended</b>
	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Balance at the beginning of the period/year	<b>13,942,251</b>	12,651,496
Charged during the period/year	<b>1,545,000</b>	3,069,879
Paid during the period/year	<b>(2,424,754)</b>	(1,779,124)
<b>Balance at the end of the period/year</b>	<b>13,062,497</b>	13,942,251

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The basic and diluted income per share is calculated by dividing the net profit for the period attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding at the end of the period, amounting to 50,000,000 shares (September 30, 2022: 50,000,000 shares).

	<b>For the Nine-month period ended</b>	
	<b>30 September 2022</b> <b>(Unaudited)</b>	<b>30 September 2022</b> <b>(Unaudited)</b>
Net profit for the period attributable to the shareholders of the company	<b>18,646,952</b>	27,249,386
The weighted average number of shares outstanding	<b>50,000,000</b>	50,000,000
Basic and diluted earnings per share	<b>0.37</b>	0.54

**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, and sells coffee and mangoes.
- **Investment properties sector:** where the group leases buildings for commercial and residential purposes.

The following is a summary of the financial segment information in Saudi riyals, according to the nature of the activity:

	<b>Agricultural sector</b>	<b>Commercial sector</b>	<b>Investment properties sector</b>	<b>Total</b>
<b><u>As at 30 September 2023:(Unaudited)</u></b>				
Total current assets	<b>76,077,589</b>	<b>31,165,293</b>	<b>17,708,427</b>	<b>124,951,309</b>
Total non-current assets	<b>319,441,974</b>	<b>131,572,524</b>	<b>74,760,807</b>	<b>525,775,305</b>
<b>Total assets</b>	<b>395,519,563</b>	<b>162,737,817</b>	<b>92,469,234</b>	<b>650,726,614</b>
Total current liabilities	<b>28,147,478</b>	<b>6,880,058</b>	<b>21,514,153</b>	<b>56,541,689</b>
Total non-current liabilities	<b>14,660,461</b>	<b>3,636,682</b>	<b>11,372,013</b>	<b>29,669,156</b>
<b>Total liabilities</b>	<b>42,807,939</b>	<b>10,516,740</b>	<b>32,886,166</b>	<b>86,210,845</b>
	<b>Agricultural sector</b>	<b>Commercial sector</b>	<b>Investment properties sector</b>	<b>Total</b>
<b><u>As at 31 December 2022: (Audited)</u></b>				
Total current assets	61,008,824	14,382,108	48,878,091	124,269,023
Total non-current assets	250,933,786	61,621,033	201,039,188	513,594,007
<b>Total assets</b>	<b>311,942,610</b>	<b>76,003,141</b>	<b>249,917,279</b>	<b>637,863,030</b>
Total current liabilities	47,937,658	19,305,913	10,360,761	77,604,332
Total non-current liabilities	9,569,268	2,035,944	2,068,205	13,673,417
<b>Total liabilities</b>	<b>57,506,926</b>	<b>21,341,857</b>	<b>12,428,966</b>	<b>91,277,749</b>
	<b>Agricultural sector</b>	<b>Commercial sector</b>	<b>Investment properties sector</b>	<b>Total</b>
<b><u>For the Nine-month period ended 30 September 2023 (UNAUDITED)</u></b>				
Revenue	<b>51,967,632</b>	<b>10,676,415</b>	<b>9,643,086</b>	<b>72,287,133</b>
Cost of revenue	<b>41,757,060</b>	<b>7,835,349</b>	<b>4,089,029</b>	<b>53,681,438</b>
Gain on Fair valuation of biological assets	<b>5,829,473</b>	-	-	<b>5,829,473</b>
Gross profit for the period	<b>16,040,045</b>	<b>2,841,066</b>	<b>5,554,057</b>	<b>24,435,168</b>
Depreciation and amortization expense	<b>4,082,504</b>	<b>2,149,069</b>	<b>2,701,972</b>	<b>8,933,545</b>
Finance costs	<b>474,155</b>	-	-	<b>474,155</b>
<b>Net profit for the period</b>	<b>12,207,026</b>	<b>2,162,149</b>	<b>4,226,827</b>	<b>18,596,002</b>

**JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)****(A Saudi Joint Stock Company)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023****(All amounts in Saudi Riyals unless otherwise stated)****14- SEGMENT INFORMATION (CONTINUED)**

<u>For the Nine-month period ended 30 September 2022 (UNAUDITED)</u>	Agricultural sector	Commercial sector	Investment properties sector	Total
Revenue	33,102,636	14,909,881	9,384,546	57,397,063
Cost of revenue	33,080,996	13,997,770	4,594,421	51,673,187
Gains from revaluation of Biological Assets	11,767,657	-	-	11,767,657
Gross profit for the period	11,789,297	912,111	4,790,125	17,491,533
Depreciation and amortization expense	2,940,679	2,034,661	1,582,731	6,558,071
Finance costs	669,872	50,038	83,396	803,306
Net profit for the period	12,401,775	5,375,449	9,019,582	26,796,806

<u>For the Three-month period ended 30 September 2023 (UNAUDITED)</u>	Agricultural sector	Commercial sector	Investment properties sector	Total
Revenue	9,811,223	4,347,726	3,195,991	17,354,940
Cost of revenue	9,230,269	3,091,834	1,465,982	13,788,085
Gain on Fair valuation of biological assets	2,804,239	-	-	2,804,239
Gross profit for the period	3,385,193	1,255,892	1,730,009	6,371,094
Depreciation and amortization expense	1,372,059	728,665	903,621	3,004,345
Finance costs	58,830	-	-	58,830
Net profit for the period	2,802,413	1,039,682	1,432,177	5,274,272

<u>For the Three-month period ended 30 September 2022 (UNAUDITED)</u>	Agricultural sector	Commercial sector	Investment properties sector	Total
Revenue	3,468,240	6,618,784	3,152,590	13,239,614
Cost of revenue	553,623	5,877,874	1,540,977	7,972,474
Gain on Fair valuation of biological assets	-	-	-	-
Gross profit for the period	2,914,617	740,910	1,611,613	5,267,140
Depreciation and amortization expense	1,252,650	776,958	937,127	2,966,734
Finance costs	296,998	-	-	296,998
Net profit for the period	652,973	165,989	361,056	1,180,018

**Geographical distribution of revenue**

	<u>For the period ended as at 30 September 2023 (UNAUDITED)</u>		<u>For the period ended as at 30 September 2022 (UNAUDITED)</u>	
		%		%
Kingdom of Saudi Arabia	65,174,811	90%	51,132,494	90%
Russia	7,112,322	10%	-	0%
Egypt	-	0%	4,259,490	7%
Korea	-	0%	2,005,079	3%
Total	72,287,133	100%	57,397,063	100%

**JAZAN ENERGY AND DEVELOPMENT COMPANY (JAZADCO)**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**15- 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. The definition of fair value is based on the presumption that the Group is a going concern and has no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. A financial instrument is considered to be listed 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 fair value, the Group uses observable market data as far as possible. Fair values are categorized into different levels in the 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 and liabilities.

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

Level 3: Asset, liability or liability inputs that are not based on observable market data (unobservable inputs).

The Group's financial assets consist of cash and bank balances, investment and restricted cash deposits and other receivables, and its financial liabilities consist of trade payables, financial facilities and other liabilities. The Group's management determines policies and procedures for both repeated and one-off fair value measurements.

The classification methodology used in this disclosure is in line with the company's annual consolidated financial statements. There were no transfers between Level 1, Level 2 or Level 3 for the Nine-month period ended September 30, 2023.

<b>30 September 2023 (Unaudited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets				
Investments carried at FVTOCI	-	<b>62,365,000</b>	-	<b>62,365,000</b>
31 December 2022 (Audited)	Level 1	Level 2	Level 3	Total
Financial assets				
Investments carried at FVTOCI	-	58,640,000	-	58,640,000
Investments carried at FVTP&L	23,257,325	-	-	23,257,325

Description of Level 2 Inputs

The fair value of the above instruments is determined using observable market data, including quoted prices for similar instruments in active markets and financial metrics from comparable companies.

Valuation Technique and Process

The Company employs market-based valuation techniques. Equity Instrument is valued using a price-to-earnings (P/E) multiple of comparable companies in the industry

**16- GENERAL**

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

**17- Reclassification**

Certain figures of comparative year have been reclassified to conform with the current period's presentation.

**18- 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.

**19- APPROVAL OF THE FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were approved by the board of directors on 24 Rabie II 1445 H Correspondence to 8 November 2023