

**AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE- MONTH PERIOD ENDED ON 31 MARCH 2023  
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2023**  
(Expressed in Saudi Riyals)

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

TO THE SHAREHOLDERS OF AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY (1/1)

**INTRODUCTION**

We have reviewed the accompanying interim statement of financial position of AL Jouf Agricultural Development Company ("the Company") as of March 31, 2023 and the interim statement of profit and loss, statement of other comprehensive income, change in shareholders equity and cash flow for the three-month period that ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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 financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**CONCLUSION**

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

**OTHERS MATTER**

The financial statements for the three month ending on 31 March 2022, were reviewed by another auditor, who expressed an unmodified opinion on these financial statements on 18 Shawl 1443H corresponding to 19 May 2022.

For Al-Bassam & Co.



Ahmed Abdul Majeed Mohandis  
Certified Public Accountant  
License No. (477)  
Jeddah: 16 Shawal 1444  
Corresponding to: 6 May 2023



**AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

**As of 31 MARCH 2023**

(Expressed in Saudi Riyals)

	Note	31 March 2023 (Unaudited)	31 December 2022 (audited)
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment, Net	5	487,876,072	490,058,440
Projects under constructions	6	171,277,321	130,682,669
Intangible assets, Net		1,716,153	1,786,280
Right of use assets, Net		4,679,767	1,316,392
Investments at fair value through OCI	7	--	--
<b>Total Non-Current Assets</b>		<b>665,549,313</b>	<b>623,843,781</b>
<b>Current Assets</b>			
Inventory, Net		129,769,144	160,510,813
Biological assets		110,516,886	27,539,281
Trade Receivable, Net		67,101,165	45,682,044
Prepayments and other current assets, Net		20,103,972	19,410,069
Cash and cash equivalents		28,115,674	31,734,891
<b>Total Current Assets</b>		<b>355,606,841</b>	<b>284,877,098</b>
<b>Total Assets</b>		<b>1,021,156,154</b>	<b>908,720,879</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Share capital	8	300,000,000	300,000,000
Statutory reserve	9	150,000,000	150,000,000
Retained earnings		216,543,672	211,467,822
Accumulated changes in other comprehensive income		6,068,734	6,068,734
<b>Total Equity</b>		<b>672,612,406</b>	<b>667,536,556</b>
<b>Non-Current Liabilities</b>			
Loans and facilities - Non-current portion	10	144,051,777	101,178,870
Lease liability - Non-current portion		3,850,268	785,170
Employee defined benefit obligations		23,073,416	22,473,631
<b>Total Non-Current Liabilities</b>		<b>170,975,461</b>	<b>124,437,671</b>
<b>Current Liabilities</b>			
Loans and facilities - Current portion	10	12,234,847	11,970,712
Lease liability - Current portion		1,339,620	481,498
Trade payables		82,758,733	33,225,294
Accruals and other current liabilities		32,740,843	39,374,804
Provisions of loans guaranty		6,587,990	6,587,990
Dividends payable to shareholders		33,911,498	18,911,598
Zakat provision		7,994,756	6,194,756
<b>Total current liabilities</b>		<b>177,568,287</b>	<b>116,746,652</b>
<b>Total liabilities</b>		<b>348,543,748</b>	<b>241,184,323</b>
<b>Total Equity and Liabilities</b>		<b>1,021,156,154</b>	<b>908,720,879</b>

**Chief Financial Officer**  
Ziad Aljaafreh



**Chief Executive Officer**  
Mazen Badawood



**Member of board of director**  
Kaled Al-Arifi



The accompanying notes an integral part of these financial statements

**AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE – MONTH PERIOD ENDING ON 31 MARCH 2023**  
(Expressed in Saudi Riyals)

	Note	2023 (Unaudited)	2022 (Unaudited)
Net Sales		104,442,493	60,408,567
Cost of sales		<u>(66,629,628)</u>	<u>(28,528,237)</u>
<b>Gross profit</b>		<b>37,812,865</b>	<b>31,880,330</b>
Selling and distribution expenses		<u>(7,808,078)</u>	<u>(7,537,158)</u>
General and administrative expenses		<u>(8,571,514)</u>	<u>(6,439,809)</u>
<b>Operating profit</b>		<b>21,433,273</b>	<b>17,903,363</b>
Financing charges		<u>(363,255)</u>	<u>(141,251)</u>
Other gains/(losses) – net		<u>805,832</u>	<u>(880,529)</u>
<b>Profit before Zakat</b>		<b>21,875,850</b>	<b>16,881,583</b>
Zakat		<u>(1,800,000)</u>	<u>(1,649,750)</u>
<b>Net profit for the period</b>		<b><u>20,075,850</u></b>	<b><u>15,231,833</u></b>
<b>Other comprehensive income items</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement gain of employees defined benefit obligations		--	--
Total other comprehensive income items		--	--
<b>Total comprehensive income for the year</b>		<b><u>20,075,850</u></b>	<b><u>15,231,833</u></b>
<b><u>Earnings per share for net profit of the year:</u></b>	11		
Basic and diluted earnings per share		<b><u>0.67</u></b>	<b><u>0.51</u></b>

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**AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY**  
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**INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE THREE – MONTH PERIOD ENDING ON 31 MARCH 2023**  
(Expressed in Saudi Riyals)

	<u>Share Capital</u>	<u>Statutory Reserve</u>	<u>Retained Earnings</u>	<u>Accumulated changes in other comprehensive income</u>	<u>Total Equity</u>
<b><u>For Three Month Ended March 31,2022 (Unaudited)</u></b>					
Balance in 1 January 2022 (audited)	300,000,000	150,000,000	175,402,560	2,219,713	627,622,273
Net profit for the period	--	--	15,231,833	--	15,231,833
Other comprehensive income for the	--	--	--	--	--
Total comprehensive income of the (unaudited)	--	--	15,231,833	--	15,231,833
Balance at 31 March 2022 (unaudited)	<u>300,000,000</u>	<u>150,000,000</u>	<u>190,634,393</u>	<u>2,219,713</u>	<u>642,854,106</u>
<b><u>For Three Month Ended March 31,2023 (Unaudited)</u></b>					
Balance at 1 January 2023 (audited)	<b>300,000,000</b>	<b>150,000,000</b>	<b>211,467,822</b>	<b>6,068,734</b>	<b>667,536,556</b>
Net profit for the period	--	--	<b>20,075,850</b>	--	<b>20,075,850</b>
Other comprehensive income	--	--	--	--	--
Total comprehensive income (unaudited)	--	--	<b>20,075,850</b>	--	<b>20,075,850</b>
Dividends			<b>(15,000,000)</b>		<b>(15,000,000)</b>
Balance at 31 March 2023 (unaudited)	<u><b>300,000,000</b></u>	<u><b>150,000,000</b></u>	<u><b>216,543,672</b></u>	<u><b>6,068,734</b></u>	<u><b>672,612,406</b></u>

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**AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY**  
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**INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE – MONTH PERIOD ENDING ON 31 MARCH 2023**  
(Expressed in Saudi Riyals)

	<b>2023</b> <b>(Unaudited)</b>	<b>2022</b> <b>(Unaudited)</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Profit for the year before zakat	21,875,850	16,881,583
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	10,525,673	9,360,000
Amortization of intangible assets	70,127	168,118
Depreciation of right of use assets	1,257,104	77,674
Provision of expected credit loss	--	1,570,095
Impairment Biological Assets	2,614,841	--
Finance charges	363,255	141,251
Employees defined benefit obligations	1,046,468	1,500,000
<b><u>Changes in operating assets and liabilities</u></b>		
Inventory	30,741,669	20,033,769
Biological assets	(85,592,446)	(62,349,273)
Account receivables	(21,419,121)	6,353,218
Prepayment and other current debtor	(693,903)	355,081
Trade payables	49,533,439	14,577,297
Accruals and other current liabilities	(6,633,962)	(2,554,219)
<b>Cash generated from operating activities</b>	<b>3,688,994</b>	<b>6,114,594</b>
Employees defined benefit obligations paid	(446,683)	(131,278)
<b>Net cash generated from operating activities</b>	<b>3,242,311</b>	<b>5,983,316</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Additions of property, plant and equipment additions	(8,343,305)	(22,328,087)
Additions of projects under progress	(40,594,652)	--
Additions of intangible assets	--	(414,800)
<b>Net cash used in investing activities</b>	<b>(48,937,957)</b>	<b>(22,742,887)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Collection from loan	54,288,878	18,821,846
Paid from loans	(11,151,836)	--
Paid finance cost	(363,255)	--
Paid lease liabilities	(697,258)	--
Dividends paid	(100)	(150)
<b>Net cash generated from / (used in) financing activities</b>	<b>42,076,429</b>	<b>18,821,696</b>
Net change in cash and cash equivalents	(3,619,217)	2,062,125
Cash and cash equivalents as at the beginning of the year	31,734,891	18,027,401
<b>Cash and cash equivalents as at the end of the year</b>	<b>28,115,674</b>	<b>20,089,526</b>
<b><u>Non-cash transactions</u></b>		
Dividends payable to shareholders	15,000,000	--
Right of use assets from lease contracts	4,620,480	--

**Chief Financial Officer**  
Ziad Aljaafreh



**Chief Executive Officer**  
Mazen Badawood



**Member of board of director**  
Kaled Al-Arifi



The accompanying notes an integral part of these financial statements



**AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE – MONTH PERIOD ENDING ON 31 MARCH 2023**  
(Expressed in Saudi Riyals)

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**1- COMPANY'S MAIN ACTIVITIES:**

Al-Jouf Agricultural Development Company ("the Company") is a Saudi Joint Stock Company registered under the commercial register issued by the Sakaka city with the number 3400004730 and issued on Jumada Al-Awwal 9, 1409H corresponding to December 18, 1988. The Company operates under Ministerial Resolution No. (63) Issued by the Ministry of Commerce and Investment on Rabi 'Al-Akher 24, 1409H corresponding to December 3, 1988 AD.

The company engaged in the agricultural of potatoes and sweet potatoes, palm agriculture, dates production, olive agriculture, beekeeping and honey production (apiaries) under license number 3130298379 dated 7/11/1437H issued by the Ministry of Environment, Water and Agriculture, installation of agricultural houses, rendering agricultural services, fresh olive and olive oil and pickled olives, cosmetic soap and charcoal.

The Company's head office is located in Al-Jouf region – Buseita – Sakaka PO box 321.

The company's financial year begins on the January 1 of each calendar year and ends at the end of December of the same year.

**2- BASIS OF PREPARATION**

**2-1 Statement of compliance**

These interim condensed financial statement for the period ended 31 march 2023 been prepared in compliance with international accounting standard ("IAS") 34" interim financial reporting "as endorsed in the kingdom of Saudi Arabia, other standards and pronouncements issued by the Saudi organization for chartered and professional accountants ("SOCPA"). The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. They should be read in conjunction with the company's annual financial statements as at 31 December 2022.

The accounting policies in these condensed interim financial statements are consistent with those in the company's annual financial statements for the year ended 31 December 2022.

**2-2 BASIS OF MEASUREMENT**

These condensed interim financial statements have been prepared on a historical cost basis, unless the international financial reporting standards allow measurement in accordance with other valuation methods.

In preparing these condensed interim financial statements , management has made judgements and estimates that affect the application of accounting policies and the reported amounts disclosed in the condensed interim financial statements. These significant estimates and assumptions have been disclosed in the annual financial statements for the year ending on December 31, 2022.

**2-3 FUNCTIONAL CURRENCY**

The financial statements are presented in Saudi Riyal (SAR), which is also the functional and presentational currency of the Company.

**3- CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

In preparing these condensed interim financial statements , management has judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities ,income and expense. Actual results may differ from these estimates.

The estimates and assumptions are based on historical experience and factors including expectations of future events that are considered appropriate in the circumstances and are used to extend the carrying period of assets and liabilities that are not independent of other sources. Estimates and assumptions are evaluated on an ongoing basis. The accounting estimates proven in the period in which the estimates are revised are reviewed in the review period and future periods in the event that the changed estimates affect the current and future periods.

The significant judgments made by management when applying the company's accounting policies are consistent with those disclosed in the previous year's financial statements.



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**3- CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)**

**Going Concern**

Management has made an assessment of the company's ability to continue as a going concern, and is convinced that the company has sufficient resources to continue its business in the near future. In addition, the management has no material doubts about the Company's ability to continue as such. Therefore, the financial statements have been prepared on a going concern basis.

**4- SIGNIFICANT ACCOUNTING POLICIES**

**New standards and amendments issued**

There are no new standards that have been issued. However, a number of amendments to the standards are effective as of January 1, 2023 AD, which were explained in the company's annual financial statements issued on December 31, 2022 AD, but they do not have a material impact on the company's summary preliminary financial statements.

**5- PROPERTY, PLANT AND EQUIPMENT**

During the three-month period ending on March 31, 2023 AD, the company added property, plant and equipment in the amount of 8,3 million Saudi riyals (for the three-month period ending on March 31, 2022 AD: 5,8 million Saudi riyals)

During the three-month period ending on March 31, 2023 AD, the depreciation of property, plant and equipment amounted to 10,5 million Saudi riyals (the three-month period ending on March 31, 2023 AD: 9,4 million Saudi riyals).

**6- PROJECTS UNDER PROGRESS**

The projects under implementation are the advance payments paid to establish a project for the production of French fries, as well as some of the company's capital expansions. As of March 31, 2023, they amounted to 171.3 million Saudi riyals (As of December 31, 2022: 130.7 million Saudi riyals).

**7- INVESTMENTS**

The company owns an investment of 11.1%, amounting to 7 million Saudi riyals, in Jannat Agricultural Investment Company - a Saudi limited liability company - under liquidation. All investment losses have been previously recognized for the entire invested share.

Jannat Agricultural Investment Company owns a 78% stake in the capital of Rakhaa Agricultural Investment and Development Company - an Egyptian joint stock company - and due to the liquidation procedures, the company

waived its 78% stake in favor of the partners, and the shares were transferred in their names, each according to his share, and accordingly, the ownership of Al-Jouf Agricultural Development Company became 8,6% direct stake in Rakhaa Agricultural Investment and Development Company.

During 2009, Rakhaa Agricultural Investment and Development Company obtained a loan of 100 million Saudi riyals, with guarantees provided by the partners in Jannat Agricultural Investment Company. Because of the deficit in the financial statements and the inability of Rakhaa Company for Agricultural Investment and Development to pay, Al-Jouf Agricultural Development Company proved its share in the loan against the guarantee provided to the Saudi Fund for Development in the amount of 9,5 million Saudi riyals. The equity deficit of Rakhaa Company for Agricultural Investment and Development as of December 31, 2022 AD (the last audited financial statements) amounted to about 210 million Egyptian pounds.

**AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE – MONTH PERIOD ENDING ON 31 MARCH 2023**  
(Expressed in Saudi Riyals)

**7- INVESTMENTS (CONTINUED)**

During 2022, the shareholders of Rakhaa for Agricultural investment and Development Company agreed to transfer the loan balance credited with the records of Rakhaa for Agricultural investment and Development Company to become a loan of shareholders without any financial returns and by Egyptian pounds and to extinguish the accumulated losses of the company With a loan of support, the General Assembly of Rakhaa for Agricultural investment and Development Company was convened and approved by the General Assembly on 18 July 2022.

**8- CAPITAL**

The company's capital is 300 million Saudi riyals, divided into 30 million shares, with a nominal value of 10 Saudi riyals per share (December 31, 2021: 30 million shares).

**9- STATUARY RESERVE**

In accordance with the provisions of the Companies Law in the Kingdom of Saudi Arabia and the company's articles of association, 10% of the net profits must be set aside for the statutory reserve. The Ordinary General Assembly may decide to stop this set aside when the reserve reaches 30% of the paid-up capital. The General Assembly decided in its meeting on May 6, 2020 to stop set aside the statutory reserve.

**10- LOANS AND FACILITIES**

Loans consist of the following:

		<b>31 March 2023</b>	<b>31 December 2022</b>
		<b>(Unaudited)</b>	<b>(audited)</b>
Saudi Industrial Development Fund loan	10/1	144,051,777	101,178,870
Agricultural Development Fund loan	10/2	2,225,000	2,225,000
Islamic bank facilities	10/3	10,009,847	9,745,712
		<u>156,286,624</u>	<u>113,149,582</u>
non-current portion		144,051,777	101,178,870
current portion		12,234,847	11,970,712
		<u>156,286,624</u>	<u>113,149,582</u>

10/1 The company obtained a loan from the Saudi Industrial Development Fund during the year 2013 AD in the amount of 15.3 million Saudi riyals, in order to finance the construction of a project for the production of oil, pickles and cosmetic soap, provided that the installments are paid in annual installments of equal value starting from 2018 AD and ending in 2022 AD. During the year 2020 AD and as part of government measures to mitigate the impact of the Covid-19 epidemic on the economy, the Fund's management restructured the installments that are due during the crisis of this epidemic, and the installments were adjusted so that the last installment is paid in 2023 AD. The loan is secured by a mortgage on the project's property and equipment (Note 5).

10/2 On February 7, 2022 AD, the company signed a long-term loan contract with the Agricultural Development Fund, in order to finance the project to establish a French fries factory in the amount of 186 million Saudi riyals. During The period, the company received a payment of 63 million riyals Saudi, due to pay the installments Starting from 2025 AD in annual installments of equal value and ends in 2034 AD, the loan is secured by mortgaging the land deed for one of the land deeds owned by the company (Note 5).

10/3 On March 7, 2023 AD, the company obtained bank facility from Alinma Bank in the amount of 10.4 million Saudi riyals for a credit period of 6 months, accordance with the terms and conditions of the bank facilities agreement.

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**11- EARNING PER SHARE**

**11/1 Basic Earnings per Share**

Basic earnings per share has been calculated based on the profit distributable to shareholders of ordinary shares and the weighted average number of shares existing on the date of the interim condensed financial statements amounting to 30 million shares.

	<u>2022</u>	<u>2021</u>
Profit for the period	20,075,850	15,231,833
Weighted average number of common shares	30,000,000	30,000,000
Profit basic and diluted earnings per share (EPS) from net profit for the period	<u>0,67</u>	<u>0,51</u>

**11/2 Diluted earnings per shares**

Basic and diluted earnings per share is calculated by dividing the net income attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding issued during the year.

During the period there were no dilutive shares and therefore the diluted earnings per share is not different from the basic earnings per share.

**12- FINANCIAL INSTRUMENTS - RISK MANAGEMENT**

Financial instruments included in the interim condensed statement of financial position consist mainly of cash, trade receivables, other current assets, loans, trade payables, accrued expenses, and other current liabilities.

**12/1 Foreign currency**

Currency risk arises from changes and fluctuations in the value of financial instruments due to changes in foreign exchange rates.

Most of the company's transactions are done using Saudi riyals and US dollars, and the US dollar is tied to the Saudi riyal at a fixed exchange rate. The company did not have any significant cash assets or liabilities in foreign currency at the date of the financial statements. Therefore, the foreign currency sensitivity analysis was not presented.

**12/2 Credit risk**

Credit risk is the risk that one party will not be able to fulfill its obligations and cause the other party to incur a financial loss. The Company's financial instruments that are subject to credit risk include mainly cash and cash equivalents and trade receivables. The Company deposits its funds in banks with high reliability and creditworthiness. The Company has a policy regarding the size of funds deposited in each bank, and the management does not expect the existence of significant credit risks resulting from this. The management also does not expect to be exposed to significant credit risk from clients' accounts, given that it has a broad base of clients operating in different activities and multiple locations. It also monitors the outstanding trade receivables periodically to cover any expected unrecoverable debts.

**12/3 Liquidity risk**

Liquidity risk is the inability of the Company to meet its liabilities related to financial liabilities as they fall due. Liquidity needs are monitored on a monthly basis and the management works to ensure that sufficient funds are available to meet any commitments when they are due.

The Company's financial liabilities consist of loans, commercial payables, accrued expenses, and other credit balances, and the Company works to reduce liquidity risk by ensuring that the necessary cash is available, in addition to making a harmonization between collection periods of trade receivables, loan repayment periods, trade and other credit balances.

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**12- FINANCIAL INSTRUMENTS - RISK MANAGEMENT (CONTINUED)**

**12/4 Commission rate risk**

Commission risk arises from possible changes and fluctuations in commission rates that affect future profit or values. Fairness of financial instruments and the company monitors the fluctuations in commission rates and believes that the impact of commission rate risk is not significant.

**12/5 Fair Value**

The fair value is the price that is received to sell an asset or paid to transfer any of the liabilities in a transaction under regular conditions between market participants at the measurement date. As such, differences can arise between the carrying values and the fair value estimates. The definition of fair value is based on market-based measurement and assumptions used by market participants.

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

**Level 1:** Quoted market prices in active markets for the same financial instrument.

**Level 2:** Valuation techniques that depend on inputs that affect the fair value and can be directly or indirectly observable in the market.

**Level 3:** Valuation techniques that rely on inputs that affect the fair value and are not directly or indirectly observable in the market.

All financial assets and liabilities of the Company are stated at amortized cost. Management believes that its estimates and assumptions are reasonable and sufficient.

**13- SEGMENT REPORTING**

The main activity of the company consists of segments that include agricultural production, both plant and animal, manufacturing, and marketing of plant and animal products. The following is a list of the selected segments information on March 31, 2023, and March 31, 2022 for each segment:

March 31, 2023	Agricultural activity - Plants	Agricultural activity – Manufacturing	Total
Revenue	10,504,132	93,938,361	104,442,493
Depreciation and amortization	6,064,371	5,788,533	11,852,904
Net (loss) / profit for the year	(1,908,136)	21,983,986	20,075,850
Total Assets	438,881,943	582,274,211	1,021,156,154
March 31, 2022	Agricultural activity - Plants	Agricultural activity – Manufacturing	Total
Revenue	1,057,686	59,350,881	60,408,567
Depreciation and amortization	3,668,673	5,691,407	9,360,080
Net (loss) / profit for the year	(555,938)	15,787,771	15,231,833
Total Assets	271,322,694	528,643,817	799,966,781

**AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE – MONTH PERIOD ENDING ON 31 MARCH 2023**  
(Expressed in Saudi Riyals)

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**14- CONTINGENT LIABILITIES**

The company has potential liabilities as a result of the part that is uncovered of letters of guarantee amounting to SR 29.7 million and letters of credit with an amount of SR 42.3 million (2022 SR: letters of guarantee SR 35,3 million, and letters of credit SR 61,7 million)

**15- COMPARISON FIGURES**

Some comparison numbers have been reclassified to align with the current listing presentation

**16- SUBSEQUENT EVENTS**

There have been no events after the date of the statement of financial position requiring modification or disclosure of these interim condensed financial statements.

**17- APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements have been approved by the Board of Directors on 16 Shawl 1444 corresponding to 6 May 2023.