

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

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE- MONTH AND NINE- MONTH PERIODS ENDED 30 SEPTEMBER 2023
AND INDEPENDENT AUDITOR'S REVIEW REPORT

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

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE -MONTH AND NINE -MONTH PERIODS ENDED 30 SEPTEMBER 2023

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**PKF**Ibrahim Ahmed Al-Bassam
& Co. Certified Public Accountants**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS****TO THE SHAREHOLDERS OF AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENT****INTRODUCTION**

We have reviewed the accompanying interim condensed statement of financial position of Al Jouf Agricultural Development Company ("the Company") as of 30 September 2023 and the related interim condensed statements of profit and loss and other comprehensive income for the three-month and nine-month periods then ended, and the related interim condensed statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. The board of directors are responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim 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

For Al-Bassam & Co.

Ahmed A. Mohandis
Certified Public Accountant
License No. (477)

Jeddah: 24 Rabi-Al-Thani 1445H
Corresponding to: 8 November 2023

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

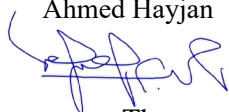
As of 30 September 2023

(Expressed in Saudi Riyals)

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Assets			
Non-Current Assets			
Property, plant and equipment, Net	4	495,045,253	490,058,440
Projects under constructions	5	231,996,340	130,682,669
Intangible assets, Net		1,575,898	1,786,280
Right of use assets, Net		3,861,459	1,316,392
Investments at fair value through OCI	6	--	--
Total Non-Current Assets		732,478,950	623,843,781
Current Assets			
Inventory, Net		155,805,938	160,510,813
Biological assets		88,080,454	27,539,281
Trade Receivable, Net		83,508,237	45,682,044
Prepayments and other current assets, Net		18,722,778	19,410,069
Cash and cash equivalents		14,044,923	31,734,891
Total Current Assets		360,162,330	284,877,098
Total Assets		1,092,641,280	908,720,879
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share capital	7	300,000,000	300,000,000
Statutory reserve	8	150,000,000	150,000,000
Retained earnings		241,953,782	211,467,822
Accumulated changes in other comprehensive income		6,068,734	6,068,734
Total Shareholders' Equity		698,022,516	667,536,556
Liabilities			
Non-Current Liabilities			
Loans and facilities - Non-current portion	9	161,310,805	101,178,870
Lease liability - Non-current portion		3,024,217	785,170
Employee defined benefit obligations		23,496,739	22,473,631
Total Non-Current Liabilities		187,831,761	124,437,671
Current Liabilities			
Loans and facilities - Current portion	9	26,602,102	11,970,712
Lease liability - Current portion		1,339,620	481,498
Trade payables		96,580,499	33,225,294
Accruals and other current liabilities		48,874,028	39,374,804
Provisions of loans guaranty		6,897,114	6,587,990
Dividends payable to shareholders		19,300,582	18,911,598
Zakat provision		7,193,058	6,194,756
Total current liabilities		206,787,003	116,746,652
Total liabilities		394,618,764	241,184,323
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		1,092,641,280	908,720,879

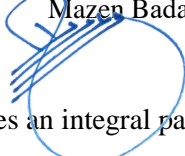
Member of Board of Director

Ahmed Hayjan




Chief Executive Officer

Mazen Badawood



Chief Financial Officer

Zeyad Aljaafreh



The accompanying notes are an integral part of these financial statements

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

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE THREE- MONTH AND NINE-MONTH PERIODS ENDED 30 September 2023
(Expressed in Saudi Riyals)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Net Sales		149,573,271	135,353,200	311,915,984	259,786,584
Cost of sales		(106,532,924)	(91,351,619)	(212,086,653)	(163,770,135)
Gross profit		43,040,347	44,001,581	99,829,331	96,016,449
Selling and distribution expenses		(13,946,241)	(13,666,129)	(28,373,172)	(26,856,404)
General and administrative expenses		(7,664,936)	(8,843,469)	(23,693,752)	(22,277,355)
Operating profit		21,429,170	21,491,983	47,762,407	46,882,690
Finance charges		(144,665)	(87,968)	(625,412)	(413,886)
Provision reverse for bearer plants		3,084,304	--	3,084,304	--
Other income – net		(353,227)	235,879	1,614,661	979,862
Profit before Zakat		24,015,582	21,639,894	51,835,960	47,448,666
Zakat		(3,300,000)	(1,800,000)	(6,350,000)	(5,549,750)
Net profit for the period		20,715,582	19,839,894	45,485,960	41,898,916
Other comprehensive income items:					
Items that will not be reclassified subsequently to interim condensed statement of profit or loss					
Other comprehensive income items		--	--	--	--
Total comprehensive income for the period		20,715,582	19,839,894	45,485,960	41,898,916
Earnings per share:					
Basic and diluted earnings per share	10	0.69	0.66	1.52	1.40

Member of Board of Director
Ahmed Hayjan



Chief Executive Officer
Mazen Badawood



Chief Financial Officer
Zeyad Aljaafreh



The accompanying notes an integral part of these financial statements

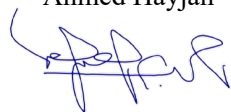
AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGE IN SHARHOLDER'S EQUITY (UNAUDITED)
FOR THE NINE – MONTH PERIOD ENDED 30 SEPTEMBER 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>
FOR NINE- MONTH ENDED 30 SEPTEMBER,2022					
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	--	--	41,898,916	--	41,898,916
Other comprehensive income	--	--	--	--	--
Total comprehensive income for the period (unaudited)	--	--	41,898,916	--	41,898,916
Dividends	--	--	(15,000,000)	--	(15,000,000)
Balance at 30 SEPTEMBER 2022 (unaudited)	<u>300,000,000</u>	<u>150,000,000</u>	<u>202,301,476</u>	<u>2,219,713</u>	<u>654,521,189</u>
FOR NINE- MONTH ENDED 30 SEPTEMBER 2023					
Balance at 1 January 2023 (audited)	300,000,000	150,000,000	211,467,822	6,068,734	667,536,556
Net profit for the period	--	--	45,485,960	--	45,485,960
Other comprehensive income	--	--	--	--	--
Total comprehensive income for the period (unaudited)	--	--	45,485,960	--	45,485,960
Dividends	--	--	(15,000,000)	--	(15,000,000)
Balance at 30 SEPTEMBER 2023 (unaudited)	<u>300,000,000</u>	<u>150,000,000</u>	<u>241,953,782</u>	<u>6,068,734</u>	<u>698,022,516</u>

Member of Board of Director

Ahmed Hayjan



Chief Executive Officer

Mazen Badawood



Chief Financial Officer

Zeyad Aljaafreh



The accompanying notes an integral part of these financial statements

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
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INTERIM CONDENSED STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE NINE – MONTH PERIOD ENDED 30 SEPTEMBER 2023
(Expressed in Saudi Riyals)

	2023 (Unaudited)	2022 (Unaudited)
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Profit for the period before zakat	51,835,960	47,448,666
Adjustments for:		
Depreciation of property, plant and equipment	35,666,643	29,466,861
Amortization of intangible assets	210,383	162,299
Amortization of right of use assets	2,075,413	489,224
Gains on disposal of property, plant ,and equipment	(43,477)	(570,272)
Guaranteeing loans in an associate company provision	309,124	--
Provision of expected credit loss	700,880	637,771
Provision reverse for bearer plants	(3,084,304)	--
Impairment of biological assets	1,015,038	--
Finance cost	625,412	413,886
Provision for Employees defined benefit obligation	3,228,947	4,587,617
<u>Changes in operating assets and liabilities</u>		
Inventory	4,704,874	6,122,039
Biological assets	(58,471,910)	(41,651,311)
Trade receivables	(38,527,073)	(10,896,045)
Prepayment and other current debtor	687,292	(1,894,443)
Trade payables	62,686,607	(4,610,908)
Accruals and other current liabilities	9,499,225	19,887,712
Cash generated from operating activities	73,119,034	49,593,096
Zakat paid during the period	(5,351,698)	(5,322,492)
Employees defined benefit obligations paid	(2,205,839)	(799,931)
Net cash generated from operating activities	65,561,497	43,470,673
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of property, plant and equipment	(41,461,579)	(17,675,882)
Project under progress	(101,313,670)	(87,668,383)
Placement of time deposits	--	(20,190,000)
Proceeds from disposal of property, plant, and equipment	1,520,199	1,120,530
Additions of intangible assets	--	(414,800)
Net cash used in investing activities	(141,255,050)	(124,828,535)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from loans and credit facilities	108,675,102	115,486,687
Payment of loans and credit facilities	(33,911,777)	(16,142,497)
Finance cost paid	(360,906)	(252,078)
Payment of lease liabilities	(1,787,818)	(537,851)
Dividends paid	(14,611,016)	(15,018,788)
Net cash generated from financing activities	58,003,585	83,535,473
Net change in cash and cash equivalents	(17,689,968)	2,177,611
Cash and cash equivalents as at the beginning of the period	31,734,891	18,027,401
Cash and cash equivalents as at the end of the period	14,044,923	20,205,012
<u>Non-cash transactions</u>		
Addition right of used assets	4,620,480	--
lease liabilities	(4,620,480)	--
Addition property, plant and equipment	668,599	77,535
Trade payables	(668,599)	(77,535)

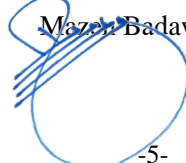
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AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(Expressed in Saudi Riyals)

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 the Al-Jouf region – Buseita- Sakakah P.O Box 321. and the Board of Directors may establish branches, offices, or agencies for the Company inside and outside the Kingdom of Saudi Arabia.

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 and as of 30 September 2023 have been prepared in compliance with International Accounting Standard ("IAS") 34" Interim Financial Reporting "as endorsed in the kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and in compliance with the provisions of the regulations for companies in the Kingdom of Saudi Arabia and the by- laws of the Company. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements.

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

2-2 BASIS OF MEASUREMENT

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

2-4 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 interim condensed financial statements have been prepared on a going concern basis.

2-5 New standards and amendments issued

The following amendments to existing standards and framework have been applied by the group in preparation of these interim condensed financial statements. The adoption of the following did not result in changes to the previously reported profit or equity of the Company.

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(Expressed in Saudi Riyals)

2- BASIS OF PREPARATION (CONTINUED)

2-5 New standards and amendments issued (CONTINUED)

<u>Standard / interpretation</u>	<u>description</u>	<u>Effective date</u>
IAS 8	Definition to accounting estimates	01 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 January 2023
IFRS 17	Insurance contracts and amendments	01 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	01 January 2023
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)	01 January 2023

2-6 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards, interpretations, and amendments issued, but not yet effective up to the date of issuance of the condensed consolidated interim financial statements are disclosed below. the group is currently assessing the implicated on the groups condensed consolidated interim financial statements on adoption. The group intends to adopt these standards, where applicable, when they become effective.

<u>Standard / interpretation</u>	<u>description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS 16	Lease Liabilities in a Sale and Leaseback -Amendment	01 January 2024
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)	01 January 2024
IAS 1	Non- current liabilities with covenants (amendments to IAS 1)	01 January 2024
IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely
IFRS S1 - General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	01 January 2024 subject to endorsement from SOCPA
IFRS S2 – Climate related disclosures	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	01 January 2024 subject to endorsement from SOCPA

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(Expressed in Saudi Riyals)

3- SIGNIFICANT ACCOUNTING POLICIES

In preparing these interim condensed 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.

4- PROPERTY, PLANT AND EQUIPMENT, NET

During the nine-month period ended 30 September 2023, the Company made addition in property, plant and equipment amounting to Saudi Riyals 42.1 million (for the nine-month period ended 30 September 2022: Saudi Riyals 17.8 million)

During the nine-month period ended 30 September 2023, the depreciation of property, plant and equipment amounted to Saudi Riyals 35,7 million (the nine-month period ended 30 September 2022: Saudi Riyals 29.5 million).

5-PROJECTS UNDER PROGRESS

The projects under progress are the advance payments made to establish a project for the production of French fries, as well as some of the Company's capital expansions. As of 30 September 2023, these projects under progress are amounted to Saudi Riyals 232 million (31 December 2022: Saudi Riyals 130.7 million).

6-INVESTMENTS

The Company owns an investment of 11.1%, amounting to Saudi Riyals 7 million, 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.

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.

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6-INVESTMENTS (CONTINUED)

On 15 August 2023, the Company's Board of Directors decided unanimously to use the amount of 207,401,325 Egyptian pounds to increase the Company's capital, which is the classified amount set aside under the capital increase account in the amount of 10,902,266 Egyptian pounds and the value of financing from shareholders amounting to 196,499,059 Egyptian pounds. An extraordinary general assembly will be called to increase the Company's capital by this amount.

The Company's management reduced the value of the investment, and a study is being prepared during the coming period to determine the fair value of that investment.

7-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 (31 December 2022: 30 million shares).

8-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 6 May 2020 to stop set aside the statutory reserve.

9- LOANS AND FACILITIES

Loans consist of the following:

	Notes	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Saudi Industrial Development Fund	9/1	--	2,225,000
Agricultural Development Fund loan	9/2	159,234,042	101,178,870
Bank Islamic Facilities	9/3	28,678,865	9,745,712
		187,912,907	113,149,582
Loans and Facilities non- current portion		161,310,805	101,178,870
Loans and Facilities current portion		26,602,102	11,970,712
		187,912,907	113,149,582

9/1 The Company obtained a loan from the Saudi Industrial Development Fund during 2013 in the amount of 15.3 million Saudi riyals 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 and ending in 2022. During 2020 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. The loan is secured by a mortgage on the project's property and equipment and the last payment has been made.

9/2 On 7 February 2022, the Company signed a long-term loan contract with the Agricultural Development Fund, in order to finance the project to establish a French fry's factory in the amount of 186 million Saudi riyals. During the period, the Company received a payment of 60,1 million riyals Saudi, the payment of the installments starting from 2025 in annual installments of equal value and ends in 2034, The loan is secured by mortgaging the land deed for one of the land deeds owned by the Company.

9/3 On 7 March 2023, the Company obtained bank facilities from Alinma Bank in the amount of 26.6 million Saudi riyals for a period of 6 months, in accordance with the terms and conditions of the facilities agreement.

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(Expressed in Saudi Riyals)

10-EARNING PER SHARE

10/1 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.

	For three-month period ended 30 September		For nine-month period ended 30 September	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	20,715,582	19,839,894	45,485,960	41,898,916
Weighted average number of common shares used as the denominator in calculating basic and diluted earnings per share (EPS) from net profit for the period	30,000,000	30,000,000	30,000,000	30,000,000
	0.69	0.66	1.52	1.40

10/2 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 period.

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

11- FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Company capital structure consists of equity and debt which consist of capital, statutory reserve, and retained earnings, accruals, and the due loan of the Saudi Industrial Development Fund.

11/1 Foreign currency

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

The Company did not carry out any operations of relative importance in currencies other than the Saudi riyal and the US dollar. Since the exchange rate of the Saudi riyal is fixed against the US dollar, the company management believes that it is not exposed to currency risk in a substantial way.

11/2 Credit risk management

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the company to incur a financial loss. The Company's financial instruments that may be exposed to credit risk mainly include cash and cash equivalents and trade receivables. The Company deposits its funds in banks with high reliability and credit capacity. The Company also has a policy regarding the amount of funds deposited in each bank, and the management does not expect the existence of significant credit risks resulting from that. The management also does not expect to be exposed to significant credit risks from customer accounts, given that it has a wide base of customers operating in different activities and multiple locations. It also monitors the existing commercial debtors periodically to cover any debts that are expected to be uncollected.

A fundamental review and restructuring of the main interest rate indicators are currently being conducted worldwide, and in line with the Saudi Central Bank's goal of maintaining monetary and financial stability, the Saudi Central Bank decided during the month of July 2023 to raise the rate of repurchase agreements "REBOR" by 0.25 percent from 5.75 to 6 percent. The Company's management is closely following these changes to determine the potential financial impact on its business results during the coming periods.

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

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(Expressed in Saudi Riyals)

11-FINANCIAL INSTRUMENTS - RISK MANAGEMENT (CONTINUED)

11/3 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 basic and the management works to ensure that sufficient fund is available to meet any commitments when they are due.

The Company's financial liabilities consist of loan, 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 balance.

11/4 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.

11/5 Fair Value

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 Group 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 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.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The fair value of all other / remaining financial assets and Financial liabilities not mentioned below approximates to their carrying values

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12- 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 30 September 2023 and 2022 for each segment:

30 September 2023 (Unaudited)	Agricultural activity - Plants	Agricultural activity – Manufacturing	Total
Sales	123,386,970	188,529,014	311,915,984
Depreciation and amortization	18,696,598	19,255,841	37,952,439
Net profit for the Period	7,195,299	38,290,661	45,485,960
Total Assets	363,796,947	728,844,333	1,092,641,280
		Agricultural	
30 September 2022 (Unaudited)	Agricultural activity - Plants	activity – Manufacturing	Total
Sales	113,502,539	146,284,045	259,786,584
Depreciation and amortization	13,076,408	17,041,976	30,118,384
Net profit for the Period	2,100,005	39,798,911	41,898,916
Total Assets	290,489,207	606,576,213	897,065,420

13-CONTINGENT LIABILITIES

The Company has potential liabilities as a result of the part that is uncovered of letters of guarantee amounting to Saudi riyals 18,6 million and letters of credit with an amount of Saudi riyals 30.7 million (2022: letters of guarantee Saudi riyals 35,3 million, and letters of credit Saudi riyals 61,7 million)

14- Capital commitments

Contracted capital expenditures that were not paid during the period ending 30 September 2023 amounted to Saudi riyals 20.9 million (31 December 2022: Saudi riyals 61.7 million).

15-COMPARISON FIGURES

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

16- SUBSEQUENT EVENTS

On 8 November 2023, the Company obtained a loan from the Saudi Industrial Development Fund for working capital finance amounted to 50 million Saudi riyals for the period of two years, the Company mortgage document for the assets of Al-Jouf factory for production of olive oil and pickles as a guarantee offered for the financing.

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

17-APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on 24 Rabi-Al-Thani 1445H 8 November 2023.