

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Financial Statements (Unaudited)
For the Three- and Six-Month Periods Ended 30 June 2025
And Independent Auditor's Review Report

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

Interim Condensed Financial Statements (Unaudited)
For the Three- and Six-Month Periods Ended 30 June 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To The Shareholders
Al-Jouf Agricultural Development Company
Jeddah - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al-Jouf Agricultural Development Company ("the Company") as at June 30, 2025, and the interim condensed financial statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month and six-month periods then ended, 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" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

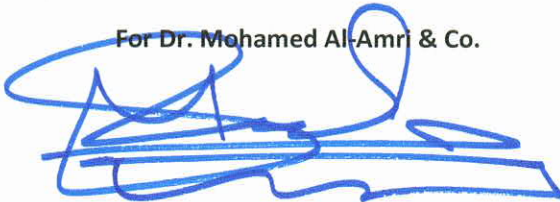
Scope of Review

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

Conclusion

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

For Dr. Mohamed Al-Amri & Co.



Maher Al-Khatieb
Certified Public Accountant
Registration No. 514



Jeddah, on 18 Safar 1447(H)
Corresponding to: 12 Aug 2025 (G)

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment		781,141,224	772,871,481
Investments at fair value through Profit or Loss	5-1	6,357,288	-
Intangible assets		1,298,239	1,318,604
Right of use assets		6,802,028	7,401,786
Total Non-Current Assets		795,598,779	781,591,871
Current Assets			
Inventory		241,996,457	223,934,487
Investments at fair value through Profit or Loss	5-2	9,019,000	9,019,000
Biological assets		99,943,765	27,240,732
Trade Receivable		109,014,317	82,388,479
Prepayments and other receivables		18,190,708	19,890,231
Cash and cash equivalents		19,191,110	13,601,660
Total Current Assets		497,355,357	376,074,589
Total Assets		1,292,954,136	1,157,666,460
<u>Equity And Liabilities</u>			
Equity			
Share capital	6	300,000,000	300,000,000
Statutory reserve	7	150,000,000	150,000,000
Retained earnings		343,022,047	304,941,616
Total Equity		793,022,047	754,941,616
<u>Liabilities</u>			
Non-Current Liabilities			
Loans and facilities - non-current portion	8	154,951,490	157,660,367
Lease liability - non-current portion		2,925,573	3,943,413
Employee defined benefit obligations		25,432,474	24,325,527
Total Non-Current Liabilities		183,309,537	185,929,307
Current Liabilities			
Loans and facilities - Current portion	8	122,956,022	89,892,774
Lease liability - Current portion		3,805,193	3,320,861
Trade payables		123,817,653	66,243,780
Accruals and other current liabilities		38,395,276	27,283,250
loan guarantee Provision		2,250,045	2,250,045
Dividends payable to shareholders		20,629,149	20,242,505
Zakat provision		4,769,214	7,562,322
Total Current Liabilities		316,622,552	216,795,537
Total Liabilities		499,932,089	402,724,844
Total Equity and Liabilities		1,292,954,136	1,157,666,460

Chief Financial Officer

Ziad Aljaafreh

Chief Executive Officer

Mazen Badawood

Authorized Board Member

Miqad Bin Abdullah Al Khamis

The accompanying notes (1) to (16) 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
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Sales		154,595,462	113,086,926	325,188,634	273,554,360
Cost of sales		(106,669,172)	(74,256,805)	(208,901,184)	(174,641,286)
Gross profit		47,926,290	38,830,121	116,287,450	98,913,074
Selling and distribution expenses		(14,322,517)	(13,214,841)	(26,696,527)	(25,257,096)
General and administrative expenses		(8,854,061)	(8,524,946)	(23,225,556)	(19,285,223)
Operating profit		24,749,712	17,090,334	66,365,367	54,370,755
Financing Cost		(2,707,419)	(1,984,611)	(5,159,260)	(3,753,052)
Unrealized losses from investment through profit or loss		124,569	-	(3,046,462)	-
Other expenses and revenue, Net		(3,143,468)	859,081	(3,579,214)	1,369,823
Profit before Zakat		19,023,394	15,964,804	54,580,431	51,987,526
Zakat		(600,000)	(400,000)	(1,500,000)	(3,500,000)
Net profit for the period		18,423,394	15,564,804	53,080,431	48,487,526
Other comprehensive income items					
Items that will not be reclassified subsequently to profit or loss					
Re-measurement of employees' defined benefit obligations		-	-	-	-
Total other comprehensive income items		-	-	-	-
Total comprehensive income		18,423,394	15,564,804	53,080,431	48,487,526
Basic and diluted earnings per share from profit for the period	9	0.61	0.52	1.77	1.62

Chief Financial Officer
Ziad Aljaafreh



Chief Executive Officer
Mazen Badawood



Authorized Board Member
Miqad Bin Abdullah Al Khamis



The accompanying notes (1) to (16) an integral part of these financial statements

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
(All amounts in Saudi Riyals unless otherwise stated)

For six months ended 30 June 2024

Balance at 1 January 2024 (Audited)

Net profit for the period

Other comprehensive income

Total comprehensive income for the period

Dividends

Balance at 30 June 2024 (Unaudited)

Share Capital	Statutory Reserve	Retained Earnings	Total Equity
300,000,000	150,000,000	268,600,247	718,600,247
-	-	48,487,526	48,487,526
-	-	-	-
-	-	48,487,526	48,487,526
-	-	(22,500,000)	(22,500,000)
300,000,000	150,000,000	294,587,773	744,587,773

For six months ended 30 June 2025

Balance at 1 January 2025 (Audited)

Net profit for the period

Other comprehensive income

Total comprehensive income for the period

Dividends

Balance at 30 June 2025 (Unaudited)

300,000,000	150,000,000	304,941,616	754,941,616
-	-	53,080,431	53,080,431
-	-	-	-
-	-	53,080,431	53,080,431
-	-	(15,000,000)	(15,000,000)
300,000,000	150,000,000	343,022,047	793,022,047

Chief Financial Officer

Ziad Aljaafreh



Chief Executive Officer

Mazen Badawood



Authorized Board Member

Miqad Bin Abdullah Al Khamis



The accompanying notes (1) to (16) an integral part of these financial statements

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
(All amounts in Saudi Riyals unless otherwise stated)

	For Six-months period ended 30	
	June	
	2025	2024
	(Unaudited)	(Unaudited)
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Profit for the period before zakat	54,580,431	51,987,526
Adjustments for:		
Depreciation and amortization	38,598,715	36,009,072
Provision inventory and biological assets	476,770	1,305,768
(Reversal)/Provision of expected credit losses	(641,585)	280,519
Finance cost	5,159,260	3,753,052
Provision for employees defined benefit obligations	1,915,788	1,958,253
Unrealized losses from revaluation of an investment through profit or loss	3,046,462	-
Gain on disposal of property and equipment	(431)	-
<u>Changes in operating assets and liabilities</u>		
Inventory	(18,538,740)	292,996
Biological assets	(72,703,033)	(61,588,670)
Account receivables	(25,984,253)	(25,761,238)
Prepayments and other receivables	2,449,977	1,386,483
Trade payables	57,573,873	44,159,302
Accruals and other current liabilities	11,112,026	9,463,194
Cash generated from operating activities	57,045,260	63,246,257
Employees defined benefit obligations paid	(808,841)	(977,108)
Zakat Paid	(4,293,108)	(5,964,906)
Net cash generated from operating activities	51,943,311	56,304,243
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Additions of property, plant, and equipment	(45,688,863)	(40,799,827)
Payment of investment through the profit and loss	(9,403,750)	-
Intangible asset additions	(120,966)	(1,119,300)
Proceeds from the Disposal of Property, Plant and Equipment	3,055	-
Net cash used in investing activities	(55,210,524)	(41,919,127)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from loans and facilities	292,774,053	36,814,365
Payments of loans and facilities	(264,270,751)	(23,078,780)
Payments of Loan guarantee provision	-	(727,471)
Payments of lease liabilities	(1,725,092)	(1,210,560)
Dividends paid	(14,613,356)	(22,006,411)
Financing costs paid	(3,308,191)	-
Net cash generated from / (used in) financing activities	8,856,663	(10,208,857)
Net change in cash and cash equivalents	5,589,450	4,176,259
Cash and cash equivalents as at the beginning of the period	13,601,660	17,558,140
Cash and cash equivalents as at the end of the period	19,191,110	21,734,399
<u>Non-cash Transaction</u>		
Transferred from project under construction to property, plant and Equipment	1,307,718	165,423,485
Addition of right of use assets	1,191,584	-
Transferred from project under construction to prepayments	750,454	-

Chief Financial Officer

Ziad Aljaafreh

Chief Executive Officer

Mazen Badawood

Authorized Board Member

Miqad Bin Abdullah Al Khamis

accompanying notes (1) to (16) an integral part of these financial statements

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the Six-Month Period Ended 30 June 2025
(All amounts in Saudi Riyals unless otherwise stated)

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(G). 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 (G).

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 statements have been prepared in 30 June 2025 accordance with International Accounting Standard 34, "Interim Financial Reporting" "IAS 34" 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"). 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 2024.

2.2 BASIS OF MEASUREMENT

The condensed interim financial statements have been prepared on the basis of historical cost, except the employee benefit obligation which calculated based on the current actuarial value and investments at fair value through profit or loss.

2.3 FUNCTIONAL CURRENCY

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

3. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial statements requires management to use judgments and estimates that affect the application of accounting policies to the amounts recognized for assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. The estimates and assumptions are based on past experience and factors that include expectations of future events considered relevant to the circumstances and used to assess the reporting period for assets and liabilities not independent of other sources. Estimates and assumptions are continuously reviewed. Accounting estimates recorded in the period are reviewed during the review period and future periods if changes in estimates impact 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 in 31 December 2024.

3. ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

GOING CONCERN

The company's management has made an assessment of the company's ability to continue to carry out its business in accordance with the principle of going concern and the company is convinced that it has the resources to continue its business in the foreseeable future. Also, management is not aware of any material uncertainties that may affect the company's ability to continue its business. Accordingly, these interim condensed financial statements have been prepared on a going concern basis.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Significant accounting policies

The accounting policies applied in preparing the interim condensed financial statements are consistent with those used in preparing the Company's financial statements for the year ended December 31, 2024.

4.2 New standards, amendments and interpretations applied by the Company

New standards and a set of amendments to standards have been issued that are effective from January 1, 2025 and have been explained in the Company's annual financial statements, but they do not have a material impact on the Company's interim condensed financial statements.

5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

5.1 Investments at Fair Value Through Profit or Loss (Non-Current)

On March 10, 2025, Al-Jouf Agricultural Development Company signed a subscription agreement with "E-Green Global," a Korean company, for convertible debt instruments (bonds) amounting to a total of SAR 15 million (equivalent to USD 4 million). It was agreed that the bonds would be issued and subscribed into three installments of unequal value, and the bond does not bear any financial returns. The first installment, valued at SAR 9.4 million (USD 2.5 million), was settled, and its fair value as of June 30, 2025, was SAR 6.36 million resulted in unrealized losses amounting to 3.05 million Saudi riyals.

The issuance of the remaining installments of the bonds will proceed according to the progress of establishing the potato seed production facilities at the company's headquarters in the Al-Jouf region. The company classified this investment in debt instruments as an "Investment at Fair Value Through Profit or Loss" because the investment did not meet the business model test required to apply measurement either at amortized cost or at fair value through other comprehensive income, in accordance with the requirements of International Financial Reporting Standard (IFRS) 9 – Financial Instruments.

5.2 Investments at Fair Value Through Profit or Loss (Current)

- a. The company holds a direct ownership interest of 8.6% in Rakhaa Agricultural Investment and Development Company (unlisted). The fair value of the investment was estimated using the discounted cash flow model. The valuation required management to make certain assumptions regarding the model inputs, including expected cash flows, discount rate, credit risk, and volatility. The investment balance as of June 30, 2025, amounted to SAR 9,019,000 (2024: SAR 9,019,000).
- b. In 2009, Rakhaa Agricultural Investment and Development Company obtained a loan of SAR 100 million from the Saudi Fund for Development, secured by guarantees provided by the partners. Due to Rakhaa's inability to repay the loan, Al-Jouf Agricultural Development Company recognized its share of the loan against the guarantee provided in favor of the Saudi Fund for Development. Subsequently, the loan balance was converted by the shareholders and used to support the company, with partners committing to continue repayment to the Saudi Fund for Development.

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the Six-Month Period Ended 30 June 2025
(All amounts in Saudi Riyals unless otherwise stated)

5. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

5.2 Investments at Fair Value Through Profit or Loss (Current) (Continued)

Later, the partners of Rakhaa Agricultural Investment and Development Company agreed with the Saudi Fund for Development to transfer the debt to the companies. As of June 30, 2025, the outstanding balance amounted to SAR 2.2 million, which is not currently due for repayment.

6. SHARE 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, 2024: 30 million shares).

7. STATUTORY RESERVE

According to the company's by laws, its required to transfer 10% of the net profit for the year to statutory reserve. The General Assembly may decide to suspend this allocation when the reserve reaches 30% of the paid-up capital. The General Assembly, in its meeting held on May 6, 2020, decided to suspend the allocation to the statutory reserve due to the reaching 50% of the capital.

8. LOANS AND FACILITIES

Loans consist of the following:

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Opening balance for the period/ Year	247,553,141	245,016,295
Proceeds during the period/ Year	292,774,053	89,101,356
Due Interest	1,851,069	-
Repayment during the period/Year	(264,270,751)	(86,564,510)
	<u>277,907,512</u>	<u>247,553,141</u>
Loans and facilities - non-current portion	154,951,490	157,660,367
Loans and facilities - current portion	122,956,022	89,892,774
	<u>277,907,512</u>	<u>247,553,141</u>

- On February 7, 2022, the company signed a long-term loan agreement with the Agricultural Development Fund to finance the construction of a potato chips factory, with a loan amount of SAR 186 million. The loan is to be repaid in equal annual installments starting in 2025 and ending in 2034. The loan is secured by mortgaging one of the company's land title deeds.
- On November 7, 2024, the company signed a supplementary agreement to the original loan contract dated February 7, 2022, with the Agricultural Development Fund to finance the same project with an additional amount of SAR 17.4 million. Repayment will also be made in equal annual installments from 2025 to 2034. An amount of SAR 14 million was disbursed on May 12, 2025, while the remaining balance had not been received as of June 30, 2025. This loan is also secured by mortgaging one of the company's land title deeds.
- On August 1, 2023, the Company entered into a loan agreement with the Saudi Industrial Development Fund (SIDF) to finance its working capital, amounting to SAR 50 million. The loan is repayable in two equal installments: the first installment, representing 50% of the total loan amount, is due 12 months from the disbursement date, and the second installment, representing the remaining 50%, is due 24 months from the disbursement date. The loan is secured by a mortgage over all assets developed for the Al-Jouf factory project for the production of olive oil and pickles.

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the Six-Month Period Ended 30 June 2025
(All amounts in Saudi Riyals unless otherwise stated)

8. LOANS AND FACILITIES (Continued)

- On March 12, 2024, the company renewed a an Islamic-compliant credit facilities agreement with Alinma Bank, with a credit limit of SAR 35 million, intended for the purpose of opening letters of credit, issuing letters of guarantee, and bearing an annual commission rate of SAIBOR plus a profit margin.
- On January 2, 2025, the company signed an Islamic-compliant credit facilities agreement with Banque Saudi Fransi, with a total allowed credit limit of SAR 160 million. The facilities are intended for opening letters of credit, issuing letters of guarantee, and financing the expansion project of the frozen potato factory. The facilities bear an annual commission rate of SAIBOR plus a profit margin.

9. EARNING PER SHARE

9.1 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 Ended 30 June		For Six Month Ended 30 June	
	2025	2024	2025	2024
Profit for the period	18,423,394	15,564,804	53,080,431	48,487,526
Weighted average number of shares	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>
Basic and diluted earnings per share from profit for the period	0,61	0,52	1,77	1.62

9.2 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.

10. DIVIDENDS

On February 25, 2025, the Company's Board of Directors resolved to distribute cash dividends to the shareholders for the third and fourth quarters of the fiscal year 2024, with a total amount of SAR 15 million, at SAR 0.50 per share, to be paid within 15 business days from eligibility date of April 15, 2025, which already paid on 30 April 2025 (June 30, 2024: SAR 22.5 million at SAR 0.75 per share)."

11. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

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

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 has not conducted any material transactions in foreign currencies other than the Saudi Riyal and the US Dollar. Since the exchange rate of the Saudi Riyal is pegged to the US Dollar, the company's management believes that it is not materially exposed to foreign currency risk.

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the Six-Month Period Ended 30 June 2025
(All amounts in Saudi Riyals unless otherwise stated)

11. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (Continued)

11.2 Credit risk

Credit risk arises from the failure of a counterparty to a financial instrument to fulfill its obligation, resulting in a financial loss to the company. The company's financial instruments that may be subject to credit risk primarily include cash and cash equivalents, trade receivables, and investments in debt instruments through profit or loss. The company deposits its funds with banks that have high creditworthiness and reliability, and it maintains a policy regarding the limit of funds deposited with each bank. Management does not expect any significant credit risk to result from this. Similarly, management does not expect significant credit risk exposure from trade receivables, as the company has a broad and diversified customer base operating across various sectors and locations. In addition, the company regularly monitors outstanding trade receivables to cover any expected credit losses. Management also does not expect significant credit risk exposure from investments in debt instruments through profit or loss, as the company holds binding legal contracts and scheduled collection plans.

11.3 Interest rate risk

Interest rate risk is the risk that the value of financial instruments or the associated cash flows will fluctuate due to changes in interest rates. The company's exposure to the risk of changes in interest rates in the market is mainly related to the company's long-term debt with changes in interest rates, the company has mixture of variable and fixed interest rates, and its monitor the interest rate risk periodically therefore the company believe that it is not exposed to material interest rate risk.

11.4 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.

11.5 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, except for investments at fair value through profit or loss, and the company's management believes that the fair value of current assets and liabilities does not differ significantly from their book value.

11.6 Agricultural Risk Management

Severe Operational Disruption (Fire, Flood, etc.) The Company is prepared to respond to operational disruptions to minimize losses and maintain continuity. The effective Business Continuity Plan is reviewed periodically and made flexible to the changing nature of operational disruptions. Risk assessment is conducted continuously to identify potential events that could cause significant disruptions. The risk of business disruption due to flooding is avoided through the design of the farms. The agricultural buildings are constructed in areas that are not subject to flash floods and are also elevated above ground level.

AL-JOUF AGRICULTURAL DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the Six-Month Period Ended 30 June 2025
(All amounts in Saudi Riyals unless otherwise stated)

12. SEGMENT REPORTING

The main activity of the company consists of segments that include agricultural production, both plant and industrial, manufacturing, and marketing of plant products. The following is a list of the selected segments information on June 30, 2025, and June 30, 2024 for each segment:

	Agricultural activity – Plants	Agricultural activity – Manufacturing	Total
30 June 2025 (Unaudited)			
Revenue	22,326,806	302,861,828	325,188,634
Depreciation and amortization	14,023,403	24,575,312	38,598,715
Net (loss) / profit for the period	(10,609,929)	63,690,360	53,080,431
Total Assets	307,279,243	985,674,893	1,292,954,136
	Agricultural activity – Plants	Agricultural activity – Manufacturing	Total
30 June 2024 (Unaudited)			
Revenue	16,245,488	257,308,872	273,554,360
Depreciation and amortization	12,644,840	23,364,232	36,009,072
Net (loss) / profit for the period	(5,575,477)	54,063,003	48,487,526
Total Assets	436,878,989	767,359,477	1,204,238,466

13. CONTINGENT LIABILITIES

At 30 June 2025 the company has potential liabilities as a result of the part that is uncovered of letters of guarantee amounting to SAR 20 million and letters of credit with an amount of SAR 26 million (31 December 2024: letters of guarantee SAR 25 million, and letters of credit SAR 1.9 million)

14. SUBSEQUENT EVENTS

- On July 28, 2025, the company announced that it had obtained a loan of SAR 80 million from the Saudi Industrial Development Fund, intended to finance working capital.
- On July 17, 2025, the company established a single member limited liability company under the name Harvest Seeds Company, with a capital of SAR 200,000. The establishment of this company aligns with the company's strategy to expand its agricultural activities and develop seed production services.

15. Comparative Figures

The Company has made certain re-classifications in the statement of comprehensive income for the prior Year to conform to the presentation in the current year.

16. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on 10 Safar 1447(H) corresponding to 04 Aug 2025(G).