



**THE NATIONAL AGRICULTURAL DEVELOPMENT COMPANY
(NADEC)**
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED
30 SEPTEMBER 2022

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**Independent auditor's review report on the interim condensed financial statements
To the Shareholders of National Agricultural Development Company (NADEC)
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company) ("the Company") as at 30 September 2022 and the related interim condensed statements of profit or loss and other comprehensive income, for the three and nine months periods ended 30 September 2022, and the related interim condensed statements of cash flows and changes in Shareholders' Equity for the nine months period then 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") 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 of the Entity" 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.

Other matter

The financial statements of the Company for the year ended 31 December 2021 were audited by another auditor who expressed unmodified opinion on those financial statement on 24 Sha'ban 1443H (corresponding to 27 March 2022). Further, the interim condensed financial statement of the Company for the nine months period ended 30 September 2021 were reviewed by another auditor who expressed unmodified review conclusion on those interim condensed financial statement on 18 Rabi Al-Awwal 1443H (Corresponding 24 October 2021).

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 as endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services



Rashid S. Roshod
Certified Public Accountant
License No. (366)



Riyadh: 28 Rabi Al-Awwal 1444H
(24 October 2022)



	Notes	30-Sep-22 SAR (Unaudited)	31-Dec-21 SAR (Audited)
Assets			
Non-Current Assets			
Property, Plant and Equipment	9	1,724,740,830	1,809,730,755
Right-of-Use Assets		59,219,205	71,472,237
Capital Work in Progress		116,531,861	95,886,698
Biological Assets		738,529,175	685,558,308
Intangible Assets		33,015,789	17,958,246
Investment in Joint venture		42,727,432	50,888,776
Equity Investments at FVOCI	10	13,022,000	13,022,000
Total Non-Current Assets		2,727,786,292	2,744,517,020
Current Assets			
Biological Assets		7,487,948	24,118,793
Inventory		415,774,221	452,063,962
Biological Assets - Available for Sale		28,940,600	35,046,943
Trade Receivables and Other Receivables		358,526,465	288,239,731
Prepayments		153,596,567	263,825,355
Cash and Bank Balances		116,901,363	81,918,355
Total Current Assets		1,081,227,164	1,145,213,139
Total Assets		3,809,013,456	3,889,730,159
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share Capital	6	1,016,400,000	1,016,400,000
Share Premium		78,719	78,719
Statutory Reserve		184,238,643	184,238,643
Other Reserves		26,316,761	25,204,429
Retained Earnings / (Accumulated Losses)		40,262,656	(30,109,093)
Total Shareholders' Equity		1,267,296,779	1,195,812,698
Non-Current Liabilities			
Murabaha Loans and Borrowings	7	966,527,254	1,150,483,292
Lease Liabilities		36,170,366	45,298,565
Deferred Income		4,695,548	5,100,725
Employee Benefits Obligation		153,788,322	163,003,443
Total Non-Current Liabilities		1,161,181,490	1,363,886,025
Current Liabilities			
Trade and Other Payables		814,929,261	713,900,829
Murabaha Loans and Borrowings - Short term	7	197,199,822	271,024,642
Murabaha Loans and Borrowings - Current Portion	7	241,448,655	214,995,055
Lease Liabilities		18,689,164	25,050,717
Dividend Payables		32,607,150	32,809,778
Provision for Zakat		75,661,135	72,250,415
Total Current Liabilities		1,380,535,187	1,330,031,436
Total Liabilities		2,541,716,677	2,693,917,461
Total Shareholders' Equity and Liabilities		3,809,013,456	3,889,730,159

The accompanying notes 1 to 12 are an integral part of these interim condensed financial statements
The interim condensed financial statements appearing on pages 2 to 12 were approved by the Board of Directors and
were signed on its behalf by

Hassan Aqrouq
Chief Financial Officer

Solaiman Al-Twajri
Chief Executive Officer

Abdulaziz Saleh Alrebdi
Chairman



	Notes	Three month period ended 30 Sep 2022 SAR (Unaudited)	Three month period ended 30 Sep 2021 SAR (Unaudited)	Nine month period ended 30 Sep 2022 SAR (Unaudited)	Nine month period ended 30 Sep 2021 SAR (Unaudited)
Revenue	8	702,668,759	610,762,621	2,023,947,847	1,700,463,521
Cost of Sales		(482,275,546)	(430,105,360)	(1,420,999,291)	(1,178,020,583)
Gross Profit		220,393,213	180,657,261	602,948,556	522,442,938
Selling and Marketing Expenses		(129,974,176)	(122,477,891)	(367,176,208)	(362,516,199)
General and Administrative Expenses		(40,519,633)	(32,124,158)	(110,009,028)	(93,372,591)
Impairment Losses on Trade Receivables		(929,744)	(1,314,791)	(4,382,923)	(5,630,032)
Other Income (Expenses) – net		(6,908,447)	(11,529,286)	(4,799,710)	(39,366,214)
Operating Profit		42,061,213	13,211,135	116,580,687	21,557,902
Finance cost		(12,806,459)	(8,497,135)	(33,547,594)	(24,799,763)
Share of Results of Joint Venture		-	-	(8,161,344)	-
Profit (Loss) before Zakat		29,254,754	4,714,000	74,871,749	(3,241,861)
Zakat		(1,500,000)	(1,500,000)	(4,500,000)	(4,528,003)
Profit (Loss) for the period		27,754,754	3,214,000	70,371,749	(7,769,864)
Earnings (Loss) per share based on the Profit (Loss) for the period attributable to ordinary shareholders					
Basic and Diluted	5	0.27	0.03	0.69	(0.08)

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were signed on its behalf by

Hassan Aqrour
Chief Financial Officer

Solaiman Al-Twajri
Chief Executive Officer

Abdulaziz Saleh Alrebdi
Chairman



	Three month period ended 30 Sep 2022 SAR (Unaudited)	Three month period ended 30 Sep 2021 SAR (Unaudited)	Nine month period ended 30 Sep 2022 SAR (Unaudited)	Nine month period ended 30 Sep 2021 SAR (Unaudited)
Profit (Loss) for the period	27,754,754	3,214,000	70,371,749	(7,769,864)
Items that will not be reclassified to Profit or Loss				
Re-measurement of defined benefit obligation	-	-	-	-
Movement in equity investments at Fair Value through Other Comprehensive Income (FVOCI)	-	-	-	-
Total Items that will not be reclassified to Profit or Loss	-	-	-	-
Items that are or may be reclassified to Profit or Loss				
Foreign operations – foreign currency translation differences	(58,433)	-	1,112,332	-
Total Items that are or may be reclassified to Profit or Loss	(58,433)	-	1,112,332	-
Total Comprehensive Income (Loss) for the period	27,696,321	3,214,000	71,484,081	(7,769,864)

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on its behalf by

Hassan Aqrouq
Chief Financial Officer

Solaiman Al-Twaijri
Chief Executive Officer

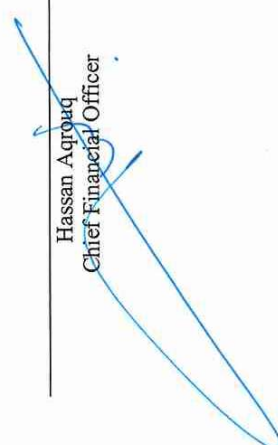
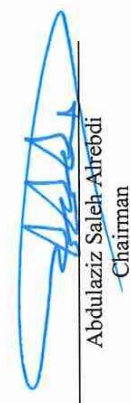
Abdulaziz Saleh Alrebdi
Chairman



THE NATIONAL AGRICULTURAL DEVELOPMENT COMPANY (NADEC)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022

	Share Capital SAR	Share premium SAR	Statutory Reserve SAR	Other Reserves SAR	Retained Earnings (Accumulated / losses) SAR	Total Shareholders' Equity SAR
Balance at 1 January 2022 (Audited)	1,016,400,000	78,719	184,238,643	25,204,429	(30,109,093)	1,195,812,698
Profit for the period	-	-	-	-	70,371,749	70,371,749
Other comprehensive income for the period	-	-	-	1,112,332	-	1,112,332
Total Comprehensive income for the period	-	-	-	1,112,332	70,371,749	71,484,081
Balance at 30 September 2022 (Unaudited)	<u>1,016,400,000</u>	<u>78,719</u>	<u>184,238,643</u>	<u>26,316,761</u>	<u>40,262,656</u>	<u>1,267,296,779</u>
Balance at 1 January 2021 (Audited)	1,016,400,000	78,719	184,238,643	22,641,853	254,919,030	1,478,278,245
Loss for the period	-	-	-	-	(7,769,864)	(7,769,864)
Other comprehensive income for the period	-	-	-	-	-	-
Total Comprehensive Loss for the period	-	-	-	-	(7,769,864)	(7,769,864)
Balance at 30 September 2021 (Unaudited)	<u>1,016,400,000</u>	<u>78,719</u>	<u>184,238,643</u>	<u>22,641,853</u>	<u>247,149,166</u>	<u>1,470,508,381</u>

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The interim condensed financial statements appearing on pages 2 to 12 were approved by the Board of Directors and were signed on its behalf by

 Hassan Aqrab Chief Financial Officer	 Solaiman Al-Twaijri Chief Executive Officer	 Abdulaziz Saleh Atrebbi Chairman
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THE NATIONAL AGRICULTURAL DEVELOPMENT COMPANY (NADEC)
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022



	Nine month period ended 30 Sep 2022 SAR (Unaudited)	Nine month period ended 30 Sep 2021 SAR (Unaudited)
<u>Cash flows from Operating Activities</u>		
Profit / (Loss) for the period	70,371,749	(7,769,864)
Adjustments for		
Depreciation - Property Plant and Equipment and Biological Assets	158,848,184	178,972,611
Depreciation - Right of Use Assets	14,732,704	19,802,152
Amortization	7,608,919	4,585,621
Zakat Expense	4,500,000	4,528,003
Deferred income	(405,177)	(405,301)
Employee Benefits Obligation	15,327,444	21,415,470
Impairment Losses on Trade Receivables	4,382,923	5,630,032
Inventory provision, net	9,588,731	2,250,000
Finance Cost	33,547,594	24,799,763
Share of Results of Joint Venture	8,161,344	-
Loss on sale of Property Plant and Equipment and Biological Assets	23,166,811	25,847,135
	349,831,226	279,655,622
Changes in		
Inventory and Biological Assets - Available for Sale	34,178,114	(5,241,071)
Biological Assets	16,612,285	(10,727,508)
Trade Receivables, Prepayments and Other Receivables	35,352,575	(222,250,242)
Trade and Other Payables	101,440,101	184,646,800
	537,414,301	226,083,601
Zakat Paid	(1,089,280)	(835,996)
Employee Benefits Paid	(24,037,920)	(26,505,428)
Net cash from Operating Activities	512,287,101	198,742,177
<u>Cash flows from Investing Activities</u>		
Additions of Property, Plant and Equipment, Intangible Assets and Biological Assets	(237,708,769)	(267,564,143)
Proceeds from sale of Property, Plant and Equipment and Biological Assets	44,398,640	59,100,302
Net cash used in Investing Activities	(193,310,129)	(208,463,841)
<u>Cash flows from Financing Activities</u>		
Proceeds from Murabaha Loans and Borrowings	-	308,752,993
Repayment of Murabaha Loans and Borrowings	(234,798,456)	(228,819,186)
Finance Cost Paid	(28,360,022)	(24,677,440)
Payment of Lease Liabilities	(19,685,797)	(24,286,678)
Dividend Paid	(202,629)	(257,222)
Net cash (used in) from Financing Activities	(283,046,904)	30,712,467
Net Change in Cash and Bank Balances	35,930,068	20,990,803
Cash and Bank Balances at beginning of the period	81,918,355	68,713,854
Effect of exchange rates fluctuations on cash held	(947,060)	-
Cash and Bank Balances at end of the period	116,901,363	89,704,657

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Hassan Aqrouq
Chief Financial Officer

Solaiman Al-Twajri
Chief Executive Officer

Abdulaziz Saleh Alrebdi
Chairman



1. The Company's Activity

The National Agricultural Development Company (NADEC) (the "Company") is a Saudi Joint-Stock Company, formed under the Royal Decree No. M/41 dated 17 Shawwal 1401H (corresponding to 17 August 1981) and registered in Riyadh under Commercial Registration No. 1010018795 dated 26 Dhul-Hijjah 1398H (corresponding to 26 November 1978).

The Company is engaged in agricultural and livestock production, reclamation of agricultural land, food processing and marketing and distribution of its products.

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

The Company's registered office is located at the following address:

Riyadh - Kingdom of Saudi Arabia

P.O. Box 2557 Riyadh 11461

2. Basis of Preparation

2.1 Statement of Compliance

These Interim Condensed Financial Statements of the Company have been prepared in accordance with the requirements of the International Accounting Standard- IAS 34 - "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These Interim Condensed Financial Statements should be read in conjunction with the Financial Statements of the Company for the year ended 31 December 2021 (last annual financial statements). They do not include all the information required to present a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the KSA. However, accounting policies and specific explanatory notes have been included to interpret significant events and transactions in order to understand the changes in the financial position and financial performance of the Company, since the last annual financial statements.

2.2 Basis of Measurement

These Interim Condensed Financial Statements for the three month and nine month periods ended 30 September 2022 have been prepared under the historical cost basis unless stated otherwise, as described in the accounting policies.

2.3 Functional and Presentation Currency

These Interim Condensed Financial Statements have been presented in Saudi Riyal ("SAR") which is also the functional currency of the Company, unless stated otherwise.

2.4 Significant Accounting Policies

New Standards, Amendment to Standards and Interpretations:

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and has been explained in Company's annual Financial Statements, but they do not have a material effect on the Company's Interim Condensed Financial Statements.



3. Significant Accounting Estimates, Judgements and Assumptions

The preparation of the Company's Interim Condensed Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of Revenues, Expenses, Assets and Liabilities, and the accompanying Disclosures, and the disclosure of Contingent Liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation, uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are consistent with those disclosed in the last annual financial statements. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The significant judgments made by management in applying the Company's accounting policies are consistent with those disclosed in the last annual financial statements.

4. Operating Segments

IFRS 8 requires operating segments to be identified based on internal reports that are regularly reviewed by the Company's executive management and used to allocate resources to segments and assess their performance. The operating segments described below have been prepared in accordance with IFRS 8. The Company operates in two main business segments: Manufacturing of Dairy and foods and Production of Agricultural products. Most of the Company's revenues, profits and assets relate to its operations in Saudi Arabia and arise from these reportable operating segments. The executive management monitors the operational results of these operating segments separately for making decisions about resource allocation and performance evaluation. The performance of the segment is evaluated on a profit or loss basis and is measured in a manner consistent with the profit or loss recognized in the Interim Condensed Financial Statements.

The following is a summary of the operating segments as at and for the nine month period ended 30 September 2022 (Unaudited)

	Dairy and Food	Agriculture	Elimination of Inter-Segment Sales	Total
	SAR	SAR	SAR	SAR
Revenue				
External Revenue	1,928,268,874	95,678,973	-	2,023,947,847
Inter-Segment Revenue	16,457,796	24,565,576	(41,023,372)	-
Total Revenues	1,944,726,670	120,244,549	(41,023,372)	2,023,947,847
Expenses				
Depreciation and Amortization	(165,072,627)	(16,117,180)	-	(181,189,807)
Operating Profit / (Loss)	166,316,984	(49,736,297)	-	116,580,687
Finance Cost	(31,307,519)	(2,240,075)	-	(33,547,594)
Share of Results of Joint Venture	-	(8,161,344)	-	(8,161,344)
Profit / (Loss) before Zakat	135,009,465	(60,137,716)	-	74,871,749
Zakat	(4,500,000)	-	-	(4,500,000)
Profit / (Loss) for the Period	130,509,465	(60,137,716)	-	70,371,749
Total Assets	3,337,543,579	471,469,877	-	3,809,013,456
Total Assets as at 31 December 2021	3,394,701,313	495,028,846	-	3,889,730,159



4. Operating Segments (Continued)

The following is a summary of the operating segments as at and for the nine month period ended 30 September 2021 (Unaudited)

	Dairy and Food	Agriculture	Elimination of Inter-Segment Sales	Total
	SAR	SAR	SAR	SAR
Revenue				
External Revenue	1,636,834,032	63,629,489	-	1,700,463,521
Inter-Segment Revenue	19,437,500	54,040,252	(73,477,752)	-
Total Revenues	1,656,271,532	117,669,741	(73,477,752)	1,700,463,521
Expenses				
Depreciation and Amortization	(184,325,229)	(19,035,155)	-	(203,360,384)
Operating Profit / (Loss)	72,749,827	(55,691,925)	4,500,000	21,557,902
Finance Cost	(24,799,763)	-	-	(24,799,763)
Profit / (Loss) before Zakat	47,950,064	(55,691,925)	4,500,000	(3,241,861)
Zakat	(4,500,000)	(28,003)	-	(4,528,003)
Profit / (Loss) for the Period	43,450,064	(55,719,928)	4,500,000	(7,769,864)
Total Assets	3,524,873,828	615,023,587	-	4,139,897,415
Total Assets as at 31 December 2020	3,197,034,264	678,605,278	-	3,875,639,542

5. Earnings per Share

	Three month period ended 30 Sep 2022 SAR (Unaudited)	Three month period ended 30 Sep 2021 SAR (Unaudited)	Nine month period ended 30 Sep 2022 SAR (Unaudited)	Nine month period ended 30 Sep 2021 SAR (Unaudited)
Profit / (Loss) attributable to Shareholders' (SAR)	27,754,754	3,214,000	70,371,749	(7,769,864)
Weighted Average Number of Ordinary Shares (Number of Shares)	101,640,000	101,640,000	101,640,000	101,640,000
Earnings / (Loss) per Share (SAR / Share)	0.27	0.03	0.69	(0.08)

Earnings / (Loss) per share has been calculated by dividing profit / (loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

6. Share Capital

The Company has 101,640,000 shares as at 30 September 2022 (31 December 2021: 101,640,000) issued and fully paid with a value of SAR 10 per share.



7. Murabaha Loans and Borrowings

	Loan Currency	Interest rate	Due date	30 Sep 2022 (Unaudited)		31 Dec 2021 (Audited)	
				Nominal value	Book value	Nominal value	Book value
				SAR 'M	SAR 'M	SAR 'M	SAR 'M
Islamic Bankin0067 Facilities (7.1)	SAR	SIBOR + Bank Margin *	2022-2028	1,393	1,401	1,627	1,631
Agricultural Development Fund (7.2)	SAR	-	2022-2027	4	4	5	5
				1,397	1,405	1,632	1,636

*The weighted average interest rate on bank loans during the nine month period ended 30 September 2022 was 3.13% per annum (nine month period ended 30 September 2021: 2.02% per annum), however, the rates varied between medium and short-term loans.

Loans from local banks were granted against promissory note given by the Company.

Loans are presented in the Interim Condensed Financial Statements as follows:

	30 Sep 2022 SAR (in millions) (Unaudited)	31 Dec 2021 SAR (in millions) (Audited)
Non-Current Liabilities		
Loans secured by guarantees	3	4
Loans secured by promissory notes	963	1,146
	966	1,150
Current Liabilities		
Loans secured by guarantees	1	1
Loans secured by promissory notes	438	485
	439	486

7.1 Islamic Banking Facilities (Murabaha) from Local Banks

The borrowing under Islamic banking facilities (Murabaha) from local banks against a promissory note issued by the Company. The maturity dates of these facilities are ranging between 2022 to 2028 as agreed with the respective banks and are mostly of a revolving nature. The amount of unused facilities as at 30 September 2022 amounted to SAR 1,155 Million (31 December 2021: SAR 697 Million).

7.2 Agricultural Development Fund Loans

The Company was granted two loans from the Agricultural Development Fund with a total value of SAR 9.95 million. These loans are secured by a mortgage of specific assets owned by the Company. The maturity dates of these facilities are ranging between 2024 to 2027 as agreed with the Agricultural Development Fund. The balance of these loans from Agricultural Development Fund on 30 September 2022 amounted to SAR 4.4 million (31 December 2021: SAR 5.4 million).

8. Revenue

	Nine month period ended 30 Sep 2022 SAR (Unaudited)	Nine month period ended 30 Sep 2021 SAR (Unaudited)
Saudi Arabia*	1,809,881,816	1,527,053,104
Other Countries	214,066,031	173,410,417
	2,023,947,847	1,700,463,521

* Includes sale of raw milk for the nine month period ended 30 September 2022 amounting to SAR 16.29 Million (Nine month period ended 30 September 2021: SAR 35.37 Million).

The main sources of the Company's revenues from contracts with customers includes dairy and food sales as well as the agricultural products, calves' sales, raw milk and others. The control of the products is transferred to the customer as soon as it is delivered to them and the delivery has been acknowledged.

9. Property, Plant and Equipment

The carrying amount of Property, Plant and Equipment as at 30 September 2022 amounted to SAR 1.72 Billion (31 December 2021: SAR 1.80 Billion). During the nine month period ended 30 September 2022, the Company added Property, Plant and Equipment amounting to SAR 37.4 Million (Nine month period ended 30 September 2021: SAR 73 Million).

9.1 Lands

The following matters related to Lands held by the Interim Condensed Financial Statements:

Land received from Government and transfer of legal title

The details of the land and government grant are as follows:

The Company originally received certain area of land in Hail, Wadi Al Dawasir and Al Jouf as a conditional non-monetary grant under the Ministry of Environment, Water and Agriculture under the Royal Order M/41 issued on 17 Shawwal 1401H (corresponding to 17 August 1981) hereinafter referred to as "Royal Order of 1981" which stated that the Company will be entitled to the ownership of the land which is revived by the Company. Until 31 March 2020, the Company had recognized portion of these lands at a value of SAR 120.86 million for which the conditions of the grant were met.

On 2 Dhul-Qadah 1441H (corresponding to 23 June 2020), the Company received a letter from Ministry of Environment, Water and Agriculture under number 600/1057/1438 regarding issuance of Royal Order No. 58378 dated 28 Shawwal 1441H (corresponding to 20 June 2020) hereinafter referred to as "Royal Order of 2020" confirming the land which the Company has right to own.

Based on the Royal Order of 2020, the Company has recorded the additional land granted for Al Jouf and Wadi Al Dawasir at its current fair value and has derecognized the unconfirmed land area of Hail from the books which has resulted in a net gain of SAR 111.8 million and have increased the carrying value of land to SAR 232.67 million during the year 2020. During the year 2021, the Company received the legal titles of lands in Wadi Al Dawasir and Al Jouf.

During the current period, the Company received the legal title of the land in Hail as well.

Land Occupied by Saudi Aramco

As per the Royal Decree number (151) dated 5 Shawwal 1401H (corresponding to 5 August 1981), The Company was granted the Haradh project. This included a piece of agricultural land, fixed and movable facilities and assets as well as the energy sources being part of the site. Notary Public at Haradh issued land title deed to the Company through title deed number (333801001781).

The Supreme Court issued its final decision on 18 Rabi ul Awal 1442H (corresponding to 4 November 2020) to cancel the previous decisions issued in favor of the Company and to cancel the title deeds issued to it. Based on discussions with the respective officials, The Company's management is reasonably certain that the legal title of the revived lands under the Company's use and control will be issued to the Company after obtaining agreements between related parties and all the approvals from related government authorities.

9. Property, Plant and Equipment (Continued)

9.1 Lands (Continued)

Land Occupied by Saudi Aramco (continued)

Consequently, when the new title deed will be issued, there will be reduction of Company's assets, due to removal of a limited portion of the land, which is currently being occupied by ARAMCO and a small piece of land in the southern area which is not suitable for agricultural production and consequently is not being used by the Company.

The financial Impact of the change in land area is not ascertainable as at the reporting date in the absence of definitive court order however management estimates that the impact will not be material based on the available information.

10. Financial Instruments

Financial Assets and Liabilities are measured at amortized cost except for Equity Investments at Fair value through Other Comprehensive Income (FVOCI) which are measured at fair value. The 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 under market conditions. In the absence of an active market, the asset or liability is measured in the most advantageous market for the asset or liability and relies on the perceptions of market participants to maximize the benefits of using the asset. The Company relied on valuation methods for Equity Investments at FVOCI based on the performance of similar financial assets in an active market considering the performance of the asset itself to maximize benefits from the asset.

The book value and the fair value of all financial assets and financial liabilities does not vary significantly.

	30 Sep 2022 SAR (in thousand) (Unaudited)	31 Dec 2021 SAR (in thousand) (Audited)	FV level
Financial Assets at Fair Value			
Equity Investment at FVOCI	13,022	13,022	Level 2
Total Financial Assets at Fair Value	13,022	13,022	
Financial Assets at Amortized Cost			
Trade and Other Receivables	347,925	277,660	
Cash and Bank Balances	116,901	81,918	
Total Financial Assets at Amortized Cost	464,826	359,578	
Total Financial Assets	477,848	372,600	
Financial Liabilities at Amortized Cost			
Trade and Other Payables	782,591	686,896	
Loans	1,405,176	1,636,503	
Lease Liabilities	54,860	70,349	
Total Financial Liabilities at Amortized Cost	2,242,627	2,393,748	
Total Financial Liabilities	2,242,627	2,393,748	

11. Reclassification in comparative numbers

Certain of the prior period amounts have been reclassified to conform to the presentation in the current period.

12. Approval by the Board of Directors

These Interim Condensed Financial Statements for the nine month period ended 30 September 2022 were approved by the Board of Directors on 26 Rabi Al-Awwal 1444 H (corresponding to 22 October 2022).