

**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Interim condensed Consolidated Financial Statements (Unaudited)**  
For the three-month and six-month periods ended June 30, 2022  
**With the Independent Auditor's Review Report**

**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Interim condensed Consolidated Financial Statements (Unaudited)**  
For the three-month and six-month periods ended June 30, 2022

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

TO THE SHAREHOLDERS OF RAYDAN FOOD COMPANY

(1/2)

### INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Raydan Food Finance Company (the "Company") as at 30 June 2022 and the related interim condensed consolidated statement of Profit or Loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of shareholders' Equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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 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 are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note (1) about the interim condensed consolidated financial statements, which indicates the existence of a material uncertainty regarding the Group's ability to continue as a going concern. The Group's ability to continue as a going concern depends on adequate funding and the profitability of future operations. Accordingly, and as corrective measures, the Board of Directors, in their meeting held on 26 Muharram 1444H corresponding to 24 August 2022, proposed to reduce the company's capital by amortizing its accumulated losses in the amount of 179,415,330 Saudi riyals, until June 30, 2022, That is 53.16% of the capital, the capital after the reduction becomes 158,084,670 Saudi riyals. provided that this is presented to the shareholders and the Assembly, Accordingly, the accompanying interim condensed consolidated financial statements have been approved on the assumption that the Group will continue to operate in accordance with the going concern principle, and our conclusion has not been modified in this matter.

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

TO THE SHAREHOLDERS OF RAYDAN FOOD COMPANY

(2/2)

OTHER MATER

The group's consolidated financial statements for the year ending on 31 December 2021 were audited by another auditor and expressed an unmodified opinion on those statements on 27 Shaaban 1443H, corresponding to 30 March 2022 and for the interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2021 the same auditor expressed a qualified conclusion for on 14 Muharram 1443H, corresponding to 22 August 2021, in relation to the period ending on 30 June 2021, regarding the inability to obtain sufficient appropriate audit evidence regarding the Group's investment in the associate company balance and its impact on the results. In addition, impairment assessment in property, plant and equipment and an investment in an associate.

For Al-Bassam & Co.



Ahmed A. Mohandis  
Certified Public Accountant  
License No. 477  
Jeddah: 26 Muharram 1444H  
Corresponding to: 24 August 2022

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**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Statement of Financial Position (Unaudited)**

As at 30 June 2022

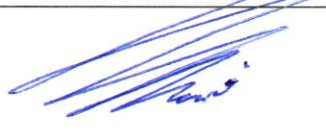
(Expressed in Saudi Arabian Riyals)

	<u>Note</u>	<u>30 June 2022</u> (Unaudited)	<u>31 December 2021</u> (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment, Net	4	114,740,835	127,779,212
Intangible assets, Net		285,542	135,160
Right-to-use assets, Net	5	33,347,067	35,590,920
Investment in company by shareholders' equity	6	59,389,038	61,625,341
<b>Non-current assets</b>		<b>207,762,482</b>	<b>225,130,633</b>
<b>Current assets</b>			
Inventories, Net		4,151,928	2,360,691
Trade receivables, Net		3,045,781	3,331,492
Due from related parties	7	11,040,462	8,482,038
Prepayments and other receivables		7,889,565	6,146,376
Property available for sale		3,774,348	3,200,000
Cash and cash equivalents		52,595,543	76,188,384
<b>Current Assets</b>		<b>82,497,627</b>	<b>99,708,981</b>
<b>Total Assets</b>		<b>290,260,109</b>	<b>324,839,614</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' Equity</b>			
Share capital	1	337,500,000	337,500,000
Statutory reserve		27,413,798	27,413,798
Accumulated losses		(179,415,330)	(157,504,107)
Foreign currency translation Reserve		418,110	508,314
<b>Total equity attributable to shareholders of the Company</b>		<b>185,916,578</b>	<b>207,918,005</b>
Non-controlling interests		5,469	2,312
<b>Total equity</b>		<b>185,922,047</b>	<b>207,920,317</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities- Non-current portion	8	43,792,729	44,099,371
Long term loans- Non-current portion	9	11,848,343	14,318,738
End of service benefits	10	13,028,976	15,438,313
<b>Non-current liabilities</b>		<b>68,670,048</b>	<b>73,856,422</b>
<b>Current liabilities</b>			
Lease liabilities– current portion	8	6,197,186	9,293,535
Long-term loans – current portion	9	6,250,000	6,000,000
Trade payables		17,915,803	16,397,744
Due to related parties	7	5,305,025	11,161,730
Accrued zakat	11	-	209,866
<b>Total Current liabilities</b>		<b>35,668,014</b>	<b>43,062,875</b>
<b>Total Liabilities</b>		<b>104,338,062</b>	<b>116,919,297</b>
<b>Total Shareholders' Equity and liabilities</b>		<b>290,260,109</b>	<b>324,839,614</b>

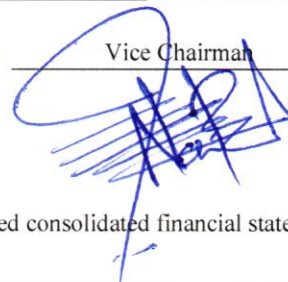
Chief Financial Officer



Chief Executive Officer



Vice Chairman



The accompanying notes form an integral part of these interim condensed consolidated financial statement



**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Statement of Profit or Loss and other comprehensive income**  
(Unaudited)

For the three-month and six-month periods ended June 30, 2022  
(Expressed in Saudi Arabian Riyals)

	Note	For the three-months period ended 30 June		For the six-months period ended 30 June	
		2022 (Unaudited)	2021 (Unaudited) Restated - Note 14	2022 (Unaudited)	2021 (Unaudited) Restated - Note 14
Revenue		43,048,129	33,203,653	80,386,248	66,077,369
Cost of revenue		(40,503,928)	(32,893,159)	(75,478,355)	(68,709,755)
<b>Gross profit / (Loss)</b>		<b>2,544,201</b>	310,494	<b>4,907,893</b>	(2,632,386)
Selling and distributing expenses		(1,283,286)	(324,483)	(1,658,224)	(879,004)
General and Administrative expenses		(7,869,045)	(3,448,772)	(13,629,680)	(8,289,345)
Other operating income		585,511	690,217	1,398,806	1,353,574
<b>Operation loss</b>		<b>(6,022,619)</b>	(2,772,544)	<b>(8,981,205)</b>	(10,447,161)
Share from investment in company by shareholders equity	6	(1,145,256)	(207,684)	(1,833,103)	(577,902)
Losses from disposal of property plant and equipment		(8,497,074)	2,050	(8,556,273)	-
Capital gains/(losses) - lease settlements		10,317	-	3,940	-
Currency valuation difference		(96,373)	-	(96,373)	-
Financial Cost		(1,000,135)	(1,131,549)	(2,001,818)	(2,270,331)
<b>Net loss before Zakat and Income Tax foreign</b>		<b>(16,751,140)</b>	(4,109,727)	<b>(21,464,832)</b>	(13,295,394)
Zakat And Income Tax	11	(445,556)	(84,080)	(445,556)	(84,080)
<b>Net loss after Zakat Income Tax foreign</b>		<b>(17,196,696)</b>	(4,193,807)	<b>(21,910,388)</b>	(13,379,474)
<b>Loss from discontinuous operations after income tax</b>	1	-	(48,654)	-	(112,732)
<b>Net loss</b>		<b>(17,196,696)</b>	(4,242,461)	<b>(21,910,388)</b>	(13,492,206)
<b>Other comprehensive income: OCI that may be reclassified to profit or loss subsequently:</b>					
Exchange differences on translation of foreign operations		(1,297)	5,773	(90,204)	6,576
<b>Total other comprehensive (loss) / income</b>		<b>(1,297)</b>	5,773	<b>(90,204)</b>	6,576
<b>Total comprehensive loss</b>		<b>(17,197,993)</b>	(4,236,688)	<b>(22,000,592)</b>	(13,485,630)
<b>Return to:</b>					
- Shareholders of the Company		(17,196,934)	(4,241,975)	(21,911,223)	(13,491,080)
- Non-controlling interests		238	(486)	835	(1,126)
		<b>(17,196,696)</b>	(4,242,461)	<b>(21,910,388)</b>	(13,492,206)
<b>Return to:</b>					
- Shareholders of the Company		(17,198,232)	(4,236,259)	(22,001,428)	(13,484,569)
- Non-controlling interests		239	(429)	836	(1,061)
		<b>(17,197,993)</b>	(4,236,688)	<b>(22,000,592)</b>	(13,485,630)
<b>Basic and diluted losses per share:</b>					
From net loss	12	(0.51)	(0.19)	(0.65)	(0.60)

 Chief Financial Officer

Chief Executive Officer

Vice Chairman

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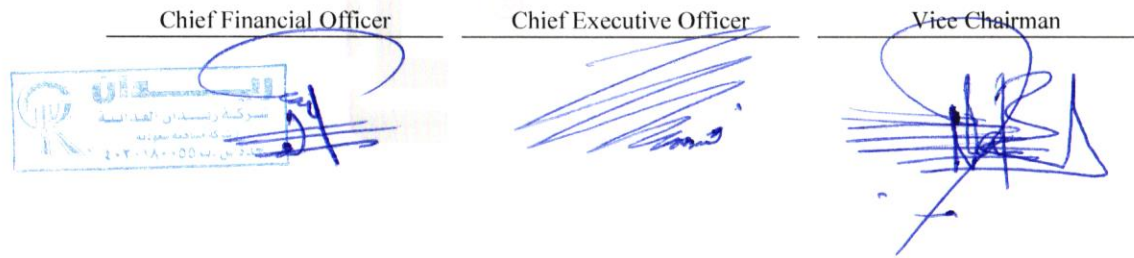
**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Statement of Changes in Shareholders' Equity (Unaudited)**

For the six months' period ended June 30, 2022  
(Expressed in Saudi Arabian Riyals)

	Share capital	Statutory reserve	Accumulated losses	Foreign currency translation Reserve	Shareholders of the Company	Non-controlling interests	Total equity
<b>For the six-month period ended 30 June 2022</b>							
Balance at 1 January 2022	337,500,000	27,413,798	(157,504,107)	508,314	207,918,005	2,312	207,920,317
<b>Adjustments to non-controlling interests</b>	-	-	-	-	-	2,322	2,322
Loss for the period	-	-	(21,911,223)	-	(21,911,223)	835	(21,910,388)
Comprehensive income for the period	-	-	-	(90,204)	(90,204)	-	(90,204)
Total comprehensive losses for the period	-	-	(21,911,223)	(90,204)	(22,001,427)	835	(22,000,592)
<b>Balance at 30 June 2022</b>	<u>337,500,000</u>	<u>27,413,798</u>	<u>(179,415,330)</u>	<u>418,110</u>	<u>185,916,578</u>	<u>5,469</u>	<u>185,922,047</u>
<b>For the six-month period ended 30 June 2021</b>							
Balance at 1 January 2021	225,000,000	27,413,798	(111,571,909)	506,657	141,348,546	21,698	141,370,244
Loss for the period	-	-	(13,491,080)	-	(13,491,080)	(1,126)	(13,492,206)
Other comprehensive Income	-	-	-	6,511	6,511	65	6,576
Total comprehensive losses for the period	-	-	(13,491,080)	6,511	(13,484,569)	(1,061)	(13,485,630)
<b>Balance at 30 June 2021</b>	<u>225,000,000</u>	<u>27,413,798</u>	<u>(125,062,989)</u>	<u>513,168</u>	<u>127,863,977</u>	<u>20,637</u>	<u>127,884,614</u>

Chief Financial Officer      Chief Executive Officer      Vice Chairman



The accompanying notes form an integral part of these interim condensed consolidated financial statements



**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Statement of Cash Flows (Unaudited)**

For the six months' period ended June 30, 2022

(Expressed in Saudi Arabian Riyals)

	For the six months period ended June 30, 2022	
	2022 (Unaudited)	2021 (Unaudited) Restated - Note 14
<b>Cash flows from operating activities</b>		
Net loss before Zakat and Income Tax foreign	(21,464,832)	(13,295,394)
<b>Adjustments non cash transaction:</b>		
Depreciation on property, plant and equipment	2,203,178	5,939,257
Depreciation of right of use assets	2,114,903	3,544,426
Losses termination contracts	128,950	-
Amortization of intangible assets	82,268	70,091
Payment financial cost	2,001,818	2,270,331
losses on disposal of property, plant and equipment	8,556,273	3,356
Share from investment in company by shareholders' equity	1,833,103	577,902
End of service benefits charged for the period	868,534	829,726
	(3,675,805)	(60,305)
<b>Changes in operating assets and liabilities</b>		
Inventories	(1,791,237)	(136,626)
Trade receivables	285,711	(321,437)
Due from related parties	(2,155,224)	(1,242,152)
Prepayments and other receivables	(1,743,189)	1,062,270
Property available for sale	3,200,000	-
Trade payables	1,518,059	3,360,059
Due to related parties	(5,856,705)	(58,558)
	(10,218,390)	2,603,251
End of service benefits paid	(3,277,871)	(1,364,213)
Zakat and income tax paid	(665,805)	(84,080)
<b>Net cash (used in) / generated from operating activities</b>	<b>(14,162,066)</b>	<b>1,154,958</b>
<b>Cash flows from investing activities</b>		
Addition of property, plant and equipment	(7,733,797)	(618,972)
Addition of intangible assets	(232,650)	-
Proceeds from the disposal of property, plant and equipment	6,238,375	321,308
<b>Net cash (used in) investing activities</b>	<b>(1,728,072)</b>	<b>(297,664)</b>
<b>Cash flows from financing activities</b>		
Loan repayments	(3,000,000)	(2,000,000)
Payment of lease obligations	(4,625,204)	(2,681,083)
<b>Net cash (used in) financing activities</b>	<b>(7,625,204)</b>	<b>(4,681,083)</b>
Net change in cash and cash equivalents balance	(23,515,342)	(3,823,789)
Cash and cash equivalents at the beginning of the period	76,188,384	5,382,116
Effect of translating foreign currencies to cash and cash equivalents	(77,499)	6,576
<b>Cash and cash equivalents at the end of the year</b>	<b>52,595,543</b>	<b>1,564,903</b>

Chief Financial Officer

Chief Executive Officer

Vice Chairman

The accompanying notes form an integral part of these interim condensed consolidated financial statements





**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Interim Condensed Consolidated Statement of Cash Flows (Unaudited)**  
For the six months' period ended June 30, 2022  
(Expressed in Saudi Arabian Riyals)

	2022 (Unaudited)	2021 (Unaudited) Restated - Note 14
<b>Non-cash transactions</b>		
<b>Disqualified non cash transaction:</b>		
Cancellation of discount on lease obligations	-	1,594,892
Amortization of deferred financing costs	779,605	941,393
Transfer to property available for sale property, plant and equipment	3,774,348 (3,774,348)	-
Investment in associate company	(403,200)	-
Due from / to related party	403,200	-

Chief Financial Officer

Chief Executive Officer

Vice Chairman



The accompanying notes form an integral part of these interim condensed consolidated financial statements

**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Notes to the Interim Condensed Consolidated Financial Statements**

For the six-month periods ended June 30, 2022

(Expressed in Saudi Arabian Riyals)

**1. ORGANISATION AND ACTIVITIES**

Raydan Food Company is a Saudi joint stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030180055 issued in Jeddah on Jumada II 11 1429H corresponding to 15 June 2008.

On 26 February 2017, the Company has obtained of the Capital Market Authority approval to list 30% of its shares in the parallel money market "Nomu".

On 17 November 2019, the Company obtained the approval of the Capital Market Authority to transfer Raydan Food Company from the parallel market to the main market and accordingly list its shares in the main capital market.

On 25 August 2021, the Capital Market Authority approved the request to increase the Company's capital by SR 112.5 million by way of a rights issue. Accordingly, the Company's capital became SR 337.5 million.

the Board of Directors, in their meeting held on 26 Muharram 1444H corresponding to 24 August 2022, proposed to reduce the company's capital by amortizing its accumulated losses in the amount of 179,415,330 Saudi riyals, until June 30, 2022, That is 53.16% of the capital, provided that this is presented to the shareholders and the Assembly, Accordingly

The Company is engaged in running restaurants and offering catering services  
The interim condensed consolidated financial statements include the accounts of the Company and its subsidiary (hereinafter referred to as (the "Group")) as follows:

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Direct ownership</u>	<u>Main Activities</u>
Raydan Kitchens and Restaurants Egypt (Limited liability Company)	Egypt	99%	Setting up and operating fixed restaurants to sell and provide ready meals and real estate investment

On 22 Safar 1443 corresponding to 29 September 2021 management has signed an agreement with Al Raya company for restaurants (A company registered in Egypt) to sell the Group assets and branches in Egypt, Accordingly, the results of related operations have been reclassified to discontinued operations.

The statement of profit or loss for discontinued operations consists of the following:

	<u>For the three months period ended at</u>		<u>For the six months period ended at</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue	-	1,774,603	-	3,224,993
Cost of revenue	-	(1,681,217)	-	(3,048,077)
Other income	-	(210,694)	-	(413,375)
General and administrative expenses	-	68,654	-	123,726
<b>Net loss from discontinued operations</b>	<b>-</b>	<b>(48,654)</b>	<b>-</b>	<b>(112,733)</b>

**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Notes to the Interim Condensed Consolidated Financial Statements**

For the six-month periods ended June 30, 2022

(Expressed in Saudi Arabian Riyals)

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**2. BASIS OF PREPERATION**

The interim condensed consolidated financial statements ("statements") have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia.

The accounting policies and calculation methods applied in preparing the interim condensed consolidated financial statements for the period ended 31 March 2022 are consistent with those followed in preparing the consolidated financial statements of the Group for the year ended 31 December 2021. The interim condensed consolidated financial statements do not include all the information required in the annual financial statements. Accordingly, it should be read in conjunction with the annual consolidated financial statements as at 31 December 2021.

The interim condensed consolidated financial statements have been prepared on a historical cost basis. The interim condensed consolidated financial statements are presented in Saudi Riyals which is the functional currency of the Company and all values are rounded to the nearest Saudi Riyal (SR), except when otherwise indicated.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgements, 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 assets or liabilities affected in future periods.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that were applied to the annual consolidated financial statements as at 31 December 2021.

The concept of accounting continuity

The condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the group will continue in its business for the foreseeable future as indicated in the interim condensed consolidated financial statements, the group incurred a net loss during the period ending on June 30, 2022. The group's ability to Continuing its business depends on achieving more cash flows from its business and its success in increasing its capital by offering priority rights.



**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Notes to the Interim Condensed Consolidated Financial Statements**

For the six-month periods ended June 30, 2022

(Expressed in Saudi Arabian Riyals)

**4. PROPERTY, PLANT AND EQUIPMENT**

	For the six-month period ended 30 June 2022	For the year ended 31 December 2021
<b><u>Cost:</u></b>		
Balance at the beginning of the period / year	247,540,901	270,818,167
Additions during period / year	7,733,797	3,926,950
Disposals during period / year	(26,211,245)	(18,201,069)
Transfer to assets held for sale during period / year	(9,889,666)	(9,003,147)
Balance at the end of the period / year	<u>219,173,787</u>	<u>247,540,901</u>
<b><u>Accumulated depreciation:</u></b>		
Balance at the beginning of the period / year	119,761,689	117,928,845
Charge during period / year	2,203,178	11,197,140
Impairment reversal during period / year	-	(2,280,215)
Disposals during period / year	(17,531,915)	(7,084,081)
Balance at the end of the period / year	<u>104,432,952</u>	<u>119,761,689</u>
Net Book Value at the end of the period / year	<u>114,740,835</u>	<u>127,779,212</u>

- Lands include the land of Kilo 14 branch with a book value of SR 1,923,000 registered in the name of its previous owner and the procedures for transferring ownership to the Group are in progress.
- Lands include lands with a book value of SR 12,825,000 which are pledged as guarantees against the long-term loan (note 9).

**5. RIGHT-OF-USE ASSETS**

	Building	Total
<b><u>Cost:</u></b>		
At 1 January 2021	81,313,793	81,313,793
Additions	1,013,432	1,013,432
Lease termination	(22,302,414)	(22,302,414)
Discounts from lessor	(160,228)	(160,228)
At 31 December 2021	<u>59,864,583</u>	<u>59,864,583</u>
Lease termination	(249,177)	(249,177)
At 30 June 2022	<u>59,615,406</u>	<u>59,615,106</u>
<b><u>Accumulated depreciation:</u></b>		
At 1 January 2021	32,406,857	32,406,857
Charge for the period / year	4,900,694	4,900,694
Impairment reversal in value	(3,370,097)	(3,370,097)
Lease termination	(9,663,791)	(9,663,791)
At 31 December 2021	<u>24,273,663</u>	<u>24,273,663</u>
Charge for the period / year	2,114,903	2,114,903
Lease termination	(120,227)	(120,227)
At 30 June 2022	<u>26,268,339</u>	<u>26,268,339</u>
<b><u>Net book value:</u></b>		
At 30 June 2022	<u>33,347,067</u>	<u>33,347,067</u>
At 31 December 2021	<u>35,590,920</u>	<u>35,590,920</u>

The group rents warehouses and branch sites, and the lease contracts range from 3 to 30 years.

**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)

**Notes to the Interim Condensed Consolidated Financial Statements**

For the six-month periods ended June 30, 2022

(Expressed in Saudi Arabian Riyals)

**6. INVESTMENT IN COMPANY BY SHAREHOLDERS' EQUITY**

**Investment in Al-Jonah Sweets and Outside Catering Ltd:**

Al-Jonah Sweets and Outside Catering Ltd. is a limited liability company registered in the Kingdom of Saudi Arabia, and is engaged in organizing external parties for others, providing meals and services for cooked and non-cooked food. The Group's share in the capital of Al-Jonah Company as of 31 March 2022 is 30% (31 December 2021: 30%) and the investment movement is as follows:

	For the six-month period ended 30 June 2022	For the year ended 31 December 2021
Balance at the beginning of the period / year	61,625,341	67,541,602
Share of result	(1,833,103)	(5,192,537)
Share from OCI	-	(723,724)
Unrealized gain from transaction with associate Company	(403,200)	-
Balance at the end of the period / year	<u>59,389,038</u>	<u>61,625,341</u>

**7. RELATED PARTIES DISCLOSURES**

The following table provides the total amount of significant transactions that have been entered into with related parties along with the related balances as of 31 March 2022 and 31 December 2021:

		Rent / Sales to related party	Purchase from related party	Due from related party	Due to related party
<b>Related party</b>					
Al-Jonah Sweets and Outside Catering Ltd	<b>2022</b>	2,559,911	474,256	11,040,462	4,877,441
	2021	2,443,750	911,614	8,482,038	10,803,185
Farah hall for parties	<b>2022</b>	251,298	-	-	427,584
	2021	1,073,245	-	-	358,545
Total	<b>2022</b>	-	-	<u>11,040,462</u>	<u>5,305,025</u>
	2021	-	-	<u>8,482,038</u>	<u>11,161,730</u>

Key management personnel benefits are as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Short term employee benefit	1,947,173	2,940,647
Termination benefit	198,828	179,994
	<u>2,146,001</u>	<u>3,120,641</u>

**8. LEASES LIABILITIES**

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Balance at beginning of period / Year	53,392,906	76,039,662
Additions for the period / year	124,784	1,013,432
Interest due	1,173,920	2,836,118
Lease termination	(124,872)	(16,788,775)
Discounts from lessor	(27,000)	(160,228)
Paid	(4,549,823)	(9,547,303)
Balance at the ending of the period / year	49,989,915	53,392,906
Less: current portion of lease liabilities	(6,197,186)	(9,293,535)
Non-current portion of lease liabilities	<u>43,792,729</u>	<u>44,099,371</u>



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**9. LONG-TERM LOAN**

The Group obtained a long-term loan amounting to SR 35.1 million in the form of a long-term finance lease to finance capital expansion. This loan is guaranteed with lands as a collateral (note 4). This loan is subject to annual interest rate of 8%. The total financing costs related to this loan have been fully deducted in advance from the received amount, and the long-term loan is denominated in Saudi riyals.

The loan payment will be finalized by 15 October 2024. The Group had the following outstanding balances relating to this loan as at 30 June 2022 and 31 December 2021:

	<b>30 June 2022</b> <b>(Unaudited)</b>	31 December 2021 (Audited)
Long-term loan	20,415,007	23,415,007
Less: deferred finance costs	<b>(2,316,664)</b>	(3,096,269)
Net	<b>18,098,343</b>	20,318,738
Less: current portion	<b>(6,250,000)</b>	(6,000,000)
Non-current portion	<b>11,848,343</b>	14,318,738

The maturity schedule for long-term loan is as follows as of 30 June 2022 and 31 December 2021:

	<b>30 June 2022</b> <b>(Unaudited)</b>	31 December 2021 (Audited)
2021	-	-
2022	3,000,000	6,000,000
2023	7,000,000	7,000,000
2024	<b>10,415,007</b>	10,415,007
	<b>20,415,007</b>	23,415,007

**10. EMPLOYEE TERMINATION BENEFITS**

	<b>30 June 2022</b> <b>(Unaudited)</b>	31 December 2021 (Audited)
Balance at beginning of period / Year	15,438,313	16,429,734
Charge in profit or loss of period / Year	868,534	1,590,356
Actuarial remeasurement charged to OCI	-	(92,725)
Payments for the period / Year	<b>(3,277,871)</b>	(2,489,052)
Ending balance for the period / Year	<b>13,028,976</b>	15,438,313

**11. ZAKAT AND INCOME TAX**

The Company is subject to zakat. Zakat is payable at 2.5% of the approximate zakat base or adjusted net profit, whichever is higher. The most important components of the zakat base according to the zakat regulations consist mainly of equity, provisions, long-term loans and adjusted net profit minus the net book value of non-current assets. The subsidiary is subject to income tax, which is payable at 22.5% of the taxable net profit.

The movement in the zakat and foreign income tax payable was as follows:

	<b>30 June 2022</b> <b>(Unaudited)</b>	31 December 2021 (Audited)
Balance at beginning of period / Year	209,866	662,509
Charge in profit or loss of period / Year	445,556	470,971
Payments for the period / Year	<b>(655,422)</b>	(923,614)
Ending balance for the period / Year	-	209,866



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**11. ZAKAT AND INCOME TAX (CONTINUED)**

**Outstanding assessments**

**Zakat status of Raydan Food Company**

- For years from 2012: 2020, the company has submitted zakat returns and their attachments, and zakat certificates have been received.
- The company submitted the Zakat return for the year 2021 according to the draft financial statements

**Tax status of Raydan Food Company**

- VAT returns were submitted on a monthly basis from January 2018 until June 2022

**Raydan Kitchens and Restaurants Egypt**

- Income taxes: the company has not been inspected until 31 March 2022.
- Value added taxes: The company was inspected until 31 December 2018, and the differences resulting from the examination were paid.
- Payroll taxes: The company has not been inspected until 31 March 2022.
- Discount and addition taxes: the company has not been inspected until 31 March 2022.
- Stamp Tax: The company has not been inspected until 31 March 2022.

**12. LOSS PER SHARE**

The calculation of basic losses per share from losses as at 30 June 2022 G / 2021 has been based the distributable losses attributable to shareholders of ordinary shares and the weighted average number of ordinary shares outstanding at this date amounting to 33,750,000 million shares (2021: 22,5 million shares) The group does not have discounted instrument.

**13. SEGMENTS INFORMATION**

The Group is divided into business segments according to the nature of their products and services for the purpose of managing them. The Group has the following business segments:

- Traditional meals
- Other segments

The following is a summary of some of the financial information by business segments as at and for the period ended 31 March 2022 and the year ended 31 December 2021, which have been summarized by business segments mentioned above:

<u>30 June 2022 (Unaudited)</u>	<u>Traditional meals</u>	<u>Other segments</u>	<u>Total</u>
Revenue	80,113,358	272,890	80,386,248
Cost of revenue	(75,478,355)	-	(75,478,355)
Administrative and selling expenses	(15,287,904)	-	(15,287,904)
Share of results in an associate	(1,833,103)	-	(1,833,103)
Others	(9,251,715)	-	(9,251,715)
Net loss for the period	<u>(21,737,722)</u>	<u>272,890</u>	<u>(21,464,832)</u>
<b>As at 30 June 2022:</b>			
Investment in an associate	59,389,038	-	59,389,038
Total assets	<u>290,260,109</u>	<u>-</u>	<u>290,260,109</u>
Total liabilities	<u>104,338,062</u>	<u>-</u>	<u>104,338,062</u>

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**13. SEGMENTS INFORMATION (CONTINUED)**

30 June 2021 (Unaudited)	Traditional meals	Other segments	Total
Revenue	66,077,369	-	66,077,369
Cost of revenue	(68,709,755)	-	(68,709,755)
Administrative and selling expenses	(9,168,349)	-	(9,168,349)
Share of results in an associate	-	-	-
Others	(1,022,617)	-	(1,022,617)
Net loss for the period	(12,823,352)	-	(12,823,352)
capital expenses	884,926	-	884,926
As at 30 June 2021:			
Investment in an associate	-	79,215,492	79,215,492
Total assets	242,011,720	79,215,492	321,227,212
Total liabilities	149,457,949	-	149,457,949

**Geographical sectors:**

The Group operates mainly the western region of the Kingdom of Saudi Arabia and also operates in other regions of the Kingdom of Saudi Arabia and the Arab Republic of Egypt. The following is a summary of some financial information according to geographical areas.

	Western region	Other regions	Total
<b>As at 30 June 2022, and for the six-months period then ended:</b>			
Revenue	80,113,358	272,890	80,386,248
Property, plant and equipment	118,292,738	-	118,292,738
<b>As at 30 June 2022, and for the six-months period then ended:</b>			
Revenue	63,632,429	2,444,940	66,077,369
Property, plant and equipment	148,925,929	12,685,543	161,611,472
<b>31 December 2021</b>			
Revenue	121,498,979	6,316,597	127,815,576
Property, plant and equipment	138,044,378	14,844,944	152,889,322

**14. RESTATEMENT OF COMPARATIVE FIGURES**

The comparative figures were adjusted as follow:

The Group has restated the comparative figures in its consolidated financial statements for the year ended on 31 December 2021 in Note No. 32 of those financial statements. This resulted in an adjustment to the comparative figures as at 1 January 2021 and 30 June 2021.

The associate company submitted its financial statements for the period ending on 30 June 2021, at a date later than the date of issuing the group's condensed consolidated interim financial statements. And the financial statement shows additional losses more than what was recognized for the period ended 30 June 2021 amounting to 370,218 Saudi riyals.

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**14. RESTATEMENT OF COMPARATIVE FIGURES (CONTINUED)**

Further, the comparative figures as at 31 March 2021 have been restated as follows:

	<u>Before restatement</u>	<u>Restatement</u>	<u>After restatement</u>
Property, plant and equipment	161,611,472	(14,101,145)	<b>147,510,327</b>
Right-to-use assets	62,894,223	(17,531,713)	<b>45,362,510</b>
Investment in company by shareholders' equity	79,215,492	(12,149,968)	<b>67,065,524</b>
Accumulated losses	(81,178,340)	(43,782,826)	<b>(124,961,166)</b>

The loss for the year ended 31 March 2021 has also been adjusted as follows:

	<u>Before restatement</u>	<u>Restatement</u>	<u>After restatement</u>
Investment in company by shareholders' equity	(105,860)	(472,042)	<b>(577,902)</b>
Accumulated losses	(13,020,165)	(472,042)	<b>(13,492,207)</b>

**15. FINANCIAL INSTRUMENTS**

The Group's financial assets consist of cash and cash equivalents, due from related parties and trade receivables. Its financial liabilities consist of trade payables, due to related parties, and long term loan. The fair values of financial instruments are not materially different from their book values. As at 31 March 2022, the Group did not hold any financial instruments measured at fair value.

**16. APPROVAL OF THE FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were authorized for issue by the Company's board of directors on 26 Shawwal 1444H Muharram to 24 Augusta 2022G.