

RAYDAN FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) FOR THE THREE- AND SIX-MONTH PERIODS ENDED 30 JUNE 2023
WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT**

RAYDAN FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE- AND SIX-MONTH PERIODS ENDED 30 JUNE 2023

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

TO THE SHAREHOLDERS OF RAYDAN FOOD COMPANY

(1/1)

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Raydan Food Company (the "Company"), and its subsidiary (hereinafter referred to as the "Group") as at 30 June 2023, and the interim condensed consolidated statements of profit or loss and other comprehensive income for the three- and six-month periods then ended, and the related interim condensed consolidated statements of changes in Shareholders' equity and cash flows for for the six-month periods then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

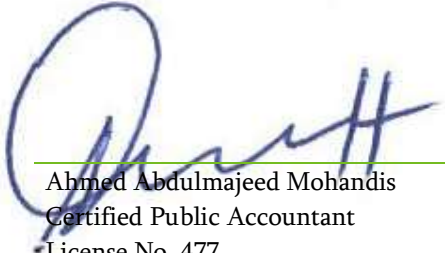
SCOPE OF REVIEW

We condensed our review in accordance with the International Standard for Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of the interim condensed consolidated financial statements consists of making inquiries primarily of the persons responsible for financial and accounting matters and applying analytical and other review procedures. The review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing (ISAs) as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all the significant matters that might be identified. during the 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.



Ahmed Abdulmajeed Mohandis
Certified Public Accountant
License No. 477
Jeddah: 23 Muharram 1445H
Corresponding to: 10 August 2023G





RAYDAN FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT 30 JUNE 2023
(Expressed in Saudi Arabian Riyals)

	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Assets			
Non-current assets			
Property, plant and equipment, net	4	135,742,608	131,278,056
Intangible assets, net		89,958	127,569
Right-of-use assets, net	5	38,909,923	33,331,211
Investments in associate through equity method	6	58,838,419	57,363,516
Total non-current assets		233,580,908	222,100,352
Current assets			
Inventories, net		6,607,271	4,314,848
Trade receivables, net		17,709,091	5,883,593
Due from related party	8	4,508,872	5,820,105
Prepayments and other receivables		12,596,980	7,046,111
Assets held for sale	7	8,328,290	8,328,290
Cash and cash equivalents		13,259,300	27,465,154
Total current Assets		63,009,804	58,858,101
Total Assets		296,590,712	280,958,453
Shareholders' equity and liabilities			
Shareholders' Equity			
Share capital	1	158,084,670	158,084,670
Statutory reserve		27,413,798	27,413,798
Retained earnings / (Accumulated losses)		70,758	(927,380)
Foreign currency translation reserve		352,410	419,407
Total Shareholders' equity of the Company		185,921,636	184,990,495
Non-controlling interests		2,148	3,452
Total Shareholders' Equity		185,923,784	184,993,947
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	9	50,317,501	43,125,350
Long term loans - non-current portion	10	6,415,007	8,756,948
End of service benefits	11	11,927,145	12,360,015
Total non-current liabilities		68,659,653	64,242,313
Current liabilities			
Lease liabilities – current portion	9	2,847,376	6,197,186
Long-term loans – current portion	10	6,561,046	7,000,000
Trade payables		21,364,585	8,646,384
Due to related party	8	-	2,591,151
Accrued expenses and other payables		10,016,066	6,043,337
Provision for potential claims		202,075	312,508
Accrued zakat	12	1,016,127	931,627
Total Current liabilities		42,007,275	31,722,193
Total Liabilities		110,666,928	95,964,506
Total Shareholders' Equity and Liabilities		296,590,712	280,958,453

Chief Financial Officer
Gamal Nasser Ahmed

Chief Executive Officer
Mansour Nasser Al- Sulami

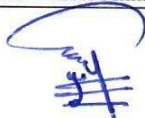
Vice Chairman
Nair Bayan Al- Sulami

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

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

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Revenue		61,272,321	43,048,129	103,075,199	80,386,248
Cost of revenue		(53,456,268)	(40,503,928)	(94,874,340)	(75,478,355)
Gross profit		7,816,053	2,544,201	8,200,859	4,907,893
Selling and marketing expenses		(1,796,806)	(1,283,286)	(3,764,922)	(1,658,224)
General and Administrative expenses		(4,526,184)	(7,869,045)	(9,405,570)	(13,629,680)
Capital gains – lease settlements		-	10,317	-	3,940
Reversal / Impairment loss on right of use assets		707,529	-	1,624,318	-
Losses from disposal of property, plant and equipment		17,999	(8,497,074)	345,845	(8,556,273)
Other operating income		575,557	585,511	4,928,819	1,398,806
Operation income / (loss)		2,794,148	(14,509,376)	1,929,349	(17,533,538)
Share from investment in company by shareholders equity	6	2,551,014	(1,145,256)	1,474,903	(1,833,103)
Currency valuation differences		2,543	(96,373)	(109,545)	(96,373)
Finance Costs		(1,056,803)	(1,000,135)	(2,027,831)	(2,001,818)
Income / (Loss) before zakat and income tax		4,290,902	(16,751,140)	1,266,876	(21,464,832)
Zakat And Income Tax	12	(36,460)	(445,556)	(269,366)	(445,556)
Net income / (loss) after zakat and income tax		4,254,442	(17,196,696)	997,510	(21,910,388)
Other comprehensive income (OCI):					
OCI that may be reclassified to profit or loss subsequently:					
Exchange differences on translation of foreign operations		(1,863)	(1,297)	(67,673)	(90,204)
Total Other comprehensive loss		(1,863)	(1,297)	(67,673)	(90,204)
Total comprehensive income / (loss)		4,252,579	(17,197,993)	929,837	(22,000,592)
Attributable to:					
- The group's shareholders		4,254,186	(17,196,934)	998,138	(21,911,223)
- Non-controlling interests		256	238	(628)	835
		4,254,442	(17,196,696)	997,510	(21,910,388)
Attributable to:					
- The group's shareholders		4,252,341	(17,198,232)	931,141	(22,001,428)
- Non-controlling interests		238	239	(1,304)	836
		4,252,579	(17,197,993)	929,837	(22,000,592)
Basic and diluted losses per share:					
From net loss	13	0.27	(0.51)	0.06	(0.65)

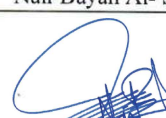
Chief Financial Officer
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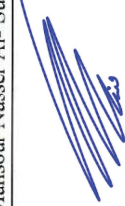
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**
(Expressed in Saudi Arabian Riyals)

	Equity attributable to the shareholders of the Company					
	Share capital	Statutory reserve	Retained earnings / (Accumulated losses)	Foreign currency translation Reserve	Total Shareholders' equity of the Company	Total Shareholders' equity
For the six-month period ended at 30 June 2023						
As at 1 Jan 2023	158,084,670	27,413,798	(927,380)	419,407	184,990,495	184,993,947
Profit / (loss) for the period	-	-	998,138	-	998,138	997,510
Other comprehensive losses	-	-	-	(66,997)	(66,997)	(67,673)
Total comprehensive income / (loss) for the period	-	-	998,138	(66,997)	931,141	929,837
As at 30 June 2023	158,084,670	27,413,798	70,758	352,410	185,921,636	185,923,784
For the six-month period ended at 30 June 2022						
As at 1 Jan 2022	337,500,000	27,413,798	(157,504,107)	508,314	207,918,005	207,920,317
Adjustment to non-controlling interests	-	-	-	-	-	2,322
(Loss) / income for the period	-	-	(21,911,223)	-	(21,911,223)	835
Other comprehensive loss	-	-	-	(90,204)	(90,204)	(90,204)
Total comprehensive (loss) / income for the period	-	-	(21,911,223)	(90,204)	(22,001,427)	835
As at 30 June 2022	337,500,000	27,413,798	(179,415,330)	418,110	185,916,578	185,922,047

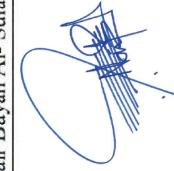
Chief Financial Officer
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The accompanying notes form an integral part of these interim condensed consolidated financial statements.



RAYDAN FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(Expressed in Saudi Arabian Riyals)

	For the six-month period ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
<u>Operating activities</u>		
Net profit / (loss) before zakat and foreign tax	1,266,876	(21,464,832)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	4,461,673	2,203,178
Depreciation of right of use assets	2,529,031	2,114,903
Reverse impairment of right-to-use assets	(1,624,318)	-
Losses termination contracts	-	128,950
Amortization of intangible assets	47,511	82,268
Finance cost incurred	2,027,831	2,001,818
expected credit losses	297,345	-
losses from disposal property, plant and equipment	(345,845)	8,556,273
Share from investment in company by shareholders' equity	(1,474,903)	1,833,103
Employee termination benefits incurred	954,882	868,534
	8,140,083	(3,675,805)
<u>Changes in working capital</u>		
Inventory	(2,292,423)	(1,791,237)
Trade receivables	(12,122,843)	285,711
Due from related party	1,311,233	(2,155,224)
Prepayments and other receivables	(5,550,869)	(1,743,189)
Property available for sale	-	3,200,000
Trade payable	12,718,201	1,518,059
Accrued expenses and other payables	3,861,620	-
Due to related party	(2,591,151)	(5,856,705)
Cash flow generated from / (used in) operating activities	3,473,851	(10,218,390)
Employee termination benefits paid	(1,387,752)	(3,277,871)
Zakat and income tax paid	(184,866)	(665,805)
Net cash flow generated from / (used in) operating activities	1,901,233	(14,162,066)
<u>Investing activities</u>		
Addition of property, plant and equipment	(8,580,380)	(7,733,797)
Addition of intangible assets	(9,900)	(232,650)
Proceeds from sale of property, plant and equipment	-	6,238,375
Net cash flow used in investing activities	(8,590,280)	(1,728,072)
<u>Financing activities</u>		
Payment of loan	(3,500,000)	(3,000,000)
Payment of lease liability	(3,949,810)	(4,625,204)
Net cash used in financing activities	(7,449,810)	(7,625,204)
Net change in cash and cash equivalents	(14,138,857)	(23,515,342)
Cash and cash equivalents at the beginning of the period	27,465,154	76,188,384
foreign currency translation impact on cash and cash equivalent	(66,997)	(77,499)
Cash and cash equivalents at the end of the period	13,259,300	52,595,543

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)(CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(Expressed in Saudi Arabian Riyals)

	For the six-month period ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Non-cash transactions		
<u>The following non-cash transactions are excluded:</u>		
Addition of right of use assets	6,483,425	-
property, plant and equipment	345,845	-
Amortization of discount on lease obligations	719,105	779,605
Transfer to property available for sale	-	8,328,290
Due from / to related party	-	403,200

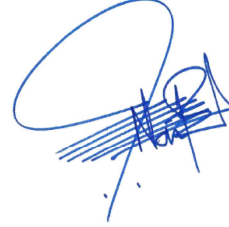
Chief Financial Officer
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Chief Executive Officer
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Vice Chairman
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The accompanying notes form an integral part of these interim condensed consolidated financial statement

RAYDAN FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE- AND SIX-MONTH PERIODS ENDED 30 JUNE 2023
(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 11 Jumada II 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.

And based on the meeting of the Extraordinary General Assembly of the Company held on 9 Rabi' al-Awwal 1444H, corresponding to 5 October 2022, it was approved to reduce the group's capital from SR 337,500,000 to become after the reduction by SR 158,084,670 by amortizing the amount of accumulated losses until 30 June 2022, which amounted to SR 179,415,330, with 53.16% of the group's capital. Accordingly, the accompanying consolidated financial statements have been approved on the assumption that the Company will continue to operate in accordance with the going concern principle.

The Company is engaged in running restaurants and offering catering services, the company also has franchise branches by granting the trademark to franchise agents inside and outside the Kingdom of Saudi Arabia.

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

The group's management signed an agreement with Al-Raya Limited Company for Restaurants (a company registered in the Arab Republic of Egypt) on 22 Safar 1443H, corresponding to 29 September 2021, according to which it sold the group's branches in the Arab Republic of Egypt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE- AND SIX-MONTH PERIODS ENDED 30 JUNE 2023
(Expressed in Saudi Arabian Riyals)

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 30 June 2023 are consistent with those followed in preparing the consolidated financial statements of the Group for the year ended 31 December 2022. 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 2022.

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 interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities revenues, expenses, although these judgments and estimates are based on the best information and data currently available to management, actual results may differ from these estimates. The estimates and related assumptions are reviewed on an ongoing basis.

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 2022.

THE CONCEPT OF GOING CONCERN

The condensed consolidated interim financial statements have been prepared on the basis of the going concern principle, which assumes that the group will continue in its commercial business in the foreseeable future as indicated in the condensed consolidated interim financial statements. The group incurred a net Profit during the period ending on June 30 2023. The group's ability to continue its business depends on achieving more cash flows from its business and its success in increasing its capital through offering priority rights.

RAYDAN FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE- AND SIX-MONTH PERIODS ENDED 30 JUNE 2023
(Expressed in Saudi Arabian Riyals)

4. PROPERTY, PLANT AND EQUIPMENT, NET

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<u>Cost:</u>		
Balance at the beginning of the period / Year	234,991,842	247,540,901
Addition during the period / Year	8,926,225	29,296,830
Disposal during the period / Year	-	(41,845,889)
Balance at the end of the period / Year	243,918,067	234,991,842
<u>Accumulated amortization:</u>		
Balance at the beginning of the period / Year	103,713,786	119,761,689
Charge during the period / Year	4,461,673	8,355,670
Disposal during the period / Year	-	(24,403,573)
Balance at the end of the period / Year	108,175,459	103,713,786
Net book values for the period / Year	135,742,608	131,278,056

- The land item includes lands (The title deed of one of the mortgaged instruments has been expropriated by the competent government agencies) with a book value of 12,825,000 Saudi riyals mortgaged as security against a long-term loan (note: 10).

- Additions during the period include an amount of 345,845 SAR, the net book value of property and equipment that were previously disposed due to the closure of some branches. Losses on disposal of property and equipment are recorded in the statement of profit or loss and other comprehensive income, and since some property and equipment (previously excluded) can be reused in other branches, add that value of property and equipment and effect the statement of profit or loss and other comprehensive income by the same amount (into gains/(losses) on disposal of property, plant and equipment).

5. RIGHT OF USE ASSETS, NET

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<u>Cost:</u>		
Balance at the beginning of the period / Year	57,385,446	59,864,583
Addition during the period / Year	6,483,425	4,702,469
Lease termination during the period / Year	-	(7,181,606)
Balance at the end of the period / Year	63,868,871	57,385,446
<u>Accumulated Amortization:</u>		
Balance at the beginning of the period / Year	24,054,235	24,273,663
Charge during the period / Year	2,529,031	4,127,136
Reversal of Impairment during the period / Year	(1,624,318)	(1,377,965)
Lease termination during the period / Year	-	(2,968,599)
Balance at the end of the period / Year	24,958,948	24,054,235
Net book values of the period/ year	38,909,923	33,331,211

The Group leases warehouses, sites and branches, with lease terms ranging between 3 and 20 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE- AND SIX-MONTH PERIODS ENDED 30 JUNE 2023
(Expressed in Saudi Arabian Riyals)

6. INVESTMENT IN ASSOCIATE COMPANY THROUGH EQUITY METHOD

Investment in Al-Jonah Sweets and Outside Catering Ltd

Al Jonah Distinguished Sweets and Parties Co., Ltd. is a limited liability company registered in the Kingdom of Saudi Arabia and operates in the menu of external parties for third parties and providing cooked and uncooked meals and catering services. The group's share in the capital of Al Jonah Company as on 30 June 2023 amounted to 30% (31 December 2022: 30%), and the investment movement was as follows:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / Year	57,363,516	61,625,341
Share of net result for the period / Year	1,474,903	(5,213,062)
Share of other comprehensive income during the period / Year	-	951,237
Balance at the end of the period / Year	58,838,419	57,363,516

The following table summarizes the Al-Jonah company's financial information extracted from its interim condensed financial statements, in addition to the adjustments to arrive at the net book value of the Group's investment in Al-Jonah Company:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Current assets	33,250,268	17,315,125
Non-current assets	102,798,725	110,434,786
Current liability	(73,759,456)	(59,213,230)
Non-current liability	(5,909,084)	(17,072,571)
Total equity	56,380,453	51,464,110
Group's share 30%	16,914,136	15,439,233
Goodwill	41,922,212	41,922,212
Previous years adjustment	2,071	2,071
NBV of the investment	58,838,419	57,363,516

The following is a summary of the profit or loss statement for Al-Jonah Company for the six-month period/ year:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Sales	49,438,664	68,198,671
Cost of sales	(27,394,038)	(45,972,035)
Operating expenses	(17,113,005)	(37,784,723)
Non-operating income & losses	(15,278)	(1,818,785)
Income / (loss) for the period	4,916,343	(17,376,872)
Group's share 30%	1,474,903	(5,213,062)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE- AND SIX-MONTH PERIODS ENDED 30 JUNE 2023
(Expressed in Saudi Arabian Riyals)

7. ASSETS HELD FOR SALE

The financial statements include the transfer of the value of lands and buildings (Al steen branch, kilo 14 branch) expropriated by government agencies for the development of slums in Jeddah to assets held for the purpose of selling at a value of SR 8,328,290, which is the value expected to be received as compensation from the competent authorities in exchange for expropriation. The value was determined based on evaluation reports as at 31 December 2022, approved by an accredited value who holds a certificate of expropriation from the Saudi Authority for Accredited Values, which is:

Saber Real Estate Appraisal - Holder of License No. 1210000589

Assets held for sale include 14 km land Owned by the group according to the allegiance and payment of the price, and the deed is still in the name of the previous owner (Al-Ain Al-Azizia area).

8. RELATED PARTIES DISCLOSURES

The following table illustrated the total of significant transactions with the related parties during the year and related balance as at 30 June 2023 and 31 December 2022:

8/1 Transaction with related parties

Name of Related party	Type of relationship	Nature of transaction	Amount of transaction	
			30 June 2023 (Unaudited)	31 December 2022 (Audited)
Al-Jonah Sweets and Outside Catering Ltd	Associate company	Payment	3,910,109	-
		Rents/ Sales	80,858	1,048,480
		Purchases	2,711,048	8,402,857

8/2 Due from related party

Related party	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Al-Jonah Sweets and Outside Catering Ltd.	4,508,872	5,820,105
	4,508,872	5,820,105

8/3 Due to related party

Related party	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Al-Jonah Sweets and Outside Catering Ltd	-	2,591,151
	-	2,591,151

Key management personnel and Board of Directors benefits are as follows:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Short term employee benefit	3,416,460	2,903,904
Termination benefit	77,596	289,468
	3,494,056	3,193,372

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9. LEASE LIABILITY

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / Year	49,322,536	53,303,906
Addition during the period / Year	6,483,425	4,702,469
Interest due during the period / Year	1,308,726	2,280,436
Paid during the period / Year	(3,949,810)	(5,823,666)
Lease termination during the period / Year	-	(5,140,609)
Balance at the end of the period / Year	53,164,877	49,322,536
Less: current portion of lease liability	(2,847,376)	(6,197,186)
Non-current portion	50,317,501	43,125,350

10. LONG TERM LOAN

The Group has a long-term loan in the amount of SR 35.1 million in the form of a long-term financing lease to finance capital expansions. This loan is granted by the guarantee of a mortgage on plots of land from the Group (note no.: 4). this loan is subject to an annual interest rate of 8%. The total financing charges related to this loan have been fully deducted in advance from the amount received.

The loan is repaid in quarterly installments ending on October 15, 2024. The company had the following outstanding balances related to this financing as of June 30, 2023 and December 31, 2022:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Long- term loan	13,915,007	17,415,007
Less: deferred finance cost	(938,954)	(1,658,059)
Net	12,976,053	15,756,948
Less: current portion	(6,561,046)	(7,000,000)
Non- current portion	6,415,007	8,756,948

The maturity schedule for the long term financing is as follows on 30 June 2023 and 31 December 2022:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
2023	3,500,000	7,000,000
2024	10,415,007	10,415,007
	13,915,007	17,415,007

11. EMPLOYEE TERMINATION BENEFITS

The provisions movement of end employee benefits, are the program specified benefits during the year as mentioned below:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / Year	12,360,015	15,438,313
Charged to profit or loss during the period / Year	954,882	1,539,276
Benefits paid during the period / Year	(1,387,752)	(3,786,030)
Gain from actuarial remeasurement charged to OCI	-	(831,544)
Balance at the end of the period / Year	11,927,145	12,360,015

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12. 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 tax payable was as follows:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period/ year	931,627	209,866
Charge during the period/ year	269,366	931,627
Payments during the period/ year	(184,866)	(209,866)
Balance at the end of the period/ year	1,016,127	931,627

Raydan Food Company

The company submitted its zakat returns till 2022 and settled all liabilities related to this year and received zakat certificate.

The tax status of Raydan Food Company

All value added tax return submitted till June 2023.

Raydan Kitchens and Restaurants Company Egypt

The tax return was submitted on the legal date and payment of its obligations.

13. BASIC LOSS PER SHARE

The income / (loss) per share was calculated from the net profit / (loss) for the three and six month periods, based on average of the number of shares outstanding at that date amounting to 15,808,467 shares (2022: 33,750,000 shares). The Group has no discounted instruments.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Net profit / (loss) attributable to the shareholders of the company	4,254,186	(17,196,934)	998,138	(21,911,223)
Weighted average number of common shares used as the denominator in calculating basic Profitability per share	15,808,467	33,750,000	15,808,467	33,750,000
Basic Profit / (loss) per share (EPS) from continuing operations	0.27	(0.51)	0.06	(0.65)
Comprehensive profit / (loss) attributable to the shareholders of the company	4,252,341	(17,198,232)	931,141	(22,001,428)
Weighted average number of common shares used as the denominator in calculating basic Profitability per share	15,808,467	33,750,000	15,808,467	33,750,000
Basic comprehensive Profit / (loss) per ordinary share from net profit/ (loss)	0.27	(0.51)	0.06	(0.65)

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14. BUSINESS SEGMENTS

The Group is divided into business units according to the nature of their products and services. In order to manage them, I have the following business segments:

- Traditional meals
- Other segments

The following is a summary of some financial information by business sectors as at and for the period ending on 30 June 2023 and 30 June 2022, which are summarized according to the business segments mentioned above:

30 June 2023 (Unaudited)	Traditional meals	Other segments	Total
Revenue	101,319,955	1,755,244	103,075,199
Cost of revenue	(94,874,340)	-	(94,874,340)
Administrative and selling expenses	(13,170,492)	-	(13,170,492)
Share from investment in company by shareholders equity	-	1,474,903	1,474,903
Others	4,492,240	-	4,492,240
Net (loss) / profit for the period	(2,232,637)	3,230,147	997,510
As at 30 June 2023:			
Investment in an associate	-	58,838,419	58,838,419
Total assets	237,752,293	58,838,419	296,590,712
Total liabilities	110,666,928	-	110,666,928
30 June 2022 (Unaudited)	Traditional meals	Other segments	Total
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	(9,697,274)	-	(9,697,274)
Net loss for the period	(22,183,278)	272,890	(21,910,388)
As at 30 June 2022			
Investment in an associate	-	59,389,038	59,389,038
Total assets	230,871,071	59,389,038	290,260,109
Total liabilities	104,338,062	-	104,338,062

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14. BUSINESS SEGMENTS (Continued)

Geographical segments

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

	<u>Western region</u>	<u>Other regions</u>	<u>Total</u>
<u>As at 30 June 2023, and for the six-month period then ended:</u>			
Revenue	101,319,955	1,755,244	103,075,199
Property, plant and equipment	135,742,608	-	135,742,608

	<u>Western region</u>	<u>Other regions</u>	<u>Total</u>
<u>As at 30 June 2022, and for the six-month period then ended:</u>			
Revenue	74,069,951	6,316,597	80,386,248
Property, plant and equipment	114,740,835	-	114,740,835

15. FINANCIAL INSTRUMENTS

The Group's financial assets consist of cash and cash equivalents, due from related parties and trade receivables, net. Its financial liabilities consist of trade payables, due to related parties and long-term loan. The fair values of the financial instruments are not materially different from their book value. The Group did not, as at June 30, 2023, hold any financial instruments measured at fair value.

16. SUBSEQUENT EVENTS

- The management believes that there are no significant subsequent events since the end of the period that may affect the financial position of the group or the disclosures in the financial statements, except for what has been disclosed.

17. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 22 Muharram 1445H corresponding to 9 August 2023G.