

**RAYDAN FOOD COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**  
**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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**

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

TO THE SHAREHOLDERS OF RAYDAN FOOD COMPANY  
(A SAUDI JOINT STOCK COMPANY)

**INTRODUCTION**

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Raydan Food Company** -A Saudi joint stock Company- (the "Company") as at 30 September 2024, and its subsidiary (hereinafter referred to as the "Group"), and the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period 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 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 International Accounting Standards (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

For PKF AI Bassam  
Chartered Accountants



Ahmed A. Mohandis  
Certified Public Accountant  
License No. (477)  
Jeddah: 9 Jumada al Ula 1446H  
Corresponding to: 11 November 2024





RAYDAN FOOD COMPANY  
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(UNAUDITED)  
AS AT 30 SEPTEMBER 2024  
(Expressed in Saudi Arabian Riyals)

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net	4	128,830,094	131,679,951
Intangible assets, net		201,253	34,799
Right-of-use assets, net	5	51,385,780	55,926,319
Investments in associate through equity method	6	40,956,329	39,558,988
<b>Total non-current assets</b>		<b>221,373,456</b>	<b>227,200,057</b>
<b>Current assets</b>			
Inventory, net		3,775,712	5,844,348
Trade receivables, net	7	3,505,516	8,893,297
Due from related party	13	1,916,897	2,947,258
Prepayments and other debit balances, net	8	12,762,957	14,791,875
Cash and cash equivalents		2,880,428	6,585,363
<b>Total current Assets</b>		<b>24,841,510</b>	<b>39,062,141</b>
<b>Total Assets</b>		<b>246,214,966</b>	<b>266,262,198</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' Equity</b>			
Share capital	1	158,084,670	158,084,670
Accumulated losses		(21,948,723)	(4,377,410)
Foreign currency translation reserve		257,730	350,685
<b>Total Shareholders' equity of the Company</b>		<b>136,393,677</b>	<b>154,057,945</b>
<b>Total Shareholders' Equity</b>		<b>136,393,677</b>	<b>154,057,945</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities - non-current portion	5	47,412,145	51,958,894
End of service benefits	10	10,533,133	10,956,265
<b>Total non-current liabilities</b>		<b>57,945,278</b>	<b>62,915,159</b>
<b>Current liabilities</b>			
Lease liabilities – current portion	5	9,426,109	10,361,073
Long-term loans – current portion	9	5,350,569	10,195,158
Trade payables		18,449,821	12,274,664
Accrued expenses and other payables		17,596,437	15,282,167
Provision for potential claims		--	159,905
Accrued zakat	12	1,053,075	1,016,127
<b>Total Current liabilities</b>		<b>51,876,011</b>	<b>49,289,094</b>
<b>Total Liabilities</b>		<b>109,821,289</b>	<b>112,204,253</b>
<b>Total Shareholders' Equity and Liabilities</b>		<b>246,214,966</b>	<b>266,262,198</b>

Chief Financial Officer  
Gamal Nasser Ahmed

Chief Executive Officer  
Mansour Nasser Al- Sulami

Chairman  
Nair Bayan Al- Sulami

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- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**  
(Expressed in Saudi Arabian Riyals)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue		32,716,264	41,089,535	122,750,096	144,164,734
Cost of revenue		(35,136,369)	(38,669,842)	(118,336,199)	(133,544,182)
<b>Gross Loss</b>		<b>(2,420,105)</b>	<b>2,419,693</b>	<b>4,413,897</b>	<b>10,620,552</b>
Selling and marketing expenses		(3,414,121)	(2,470,219)	(8,413,055)	(6,235,141)
General and Administrative expenses		(4,302,537)	(4,268,970)	(13,461,837)	(13,674,540)
Reversal of Impairment loss on right of use assets		--	--	--	1,624,318
Gain from disposal of property, plant and equipment		--	21,556	5,000	367,401
<b>Operation loss</b>		<b>(10,136,763)</b>	<b>(4,297,940)</b>	<b>(17,455,995)</b>	<b>(7,237,410)</b>
Share from investment in associate company Through equity method	6	(2,016,019)	(625,181)	1,397,341	849,722
Loss on Foreign Currency differences		(197,054)	(1,933)	(661,002)	(111,478)
Finance Costs		(810,132)	(1,003,430)	(2,647,004)	(3,031,261)
Other operating income		705,939	583,235	2,095,565	5,512,054
<b>Loss before zakat and income tax</b>		<b>(12,454,029)</b>	<b>(5,345,249)</b>	<b>(17,271,095)</b>	<b>(4,078,373)</b>
Zakat and Income Tax	12	(300,218)	--	(300,218)	(269,366)
<b>Net loss after zakat and income tax</b>		<b>(12,754,247)</b>	<b>(5,345,249)</b>	<b>(17,571,313)</b>	<b>(4,347,739)</b>
<b>Other comprehensive income (OCI):</b>					
<b>OCI that may be reclassified to profit or loss subsequently:</b>					
Foreign Currency Translation differences		(794)	(547)	(92,955)	(68,220)
<b>Total Other comprehensive loss</b>		<b>(794)</b>	<b>(547)</b>	<b>(92,955)</b>	<b>(68,220)</b>
<b>Total comprehensive loss</b>		<b>(12,755,041)</b>	<b>(5,345,796)</b>	<b>(17,664,268)</b>	<b>(4,415,959)</b>
<b>Attributable to:</b>					
- The Parent Company's shareholders		(12,754,247)	(5,345,483)	(17,571,313)	(4,347,345)
- Non-controlling interests		--	234	--	(394)
		<b>(12,754,247)</b>	<b>(5,345,249)</b>	<b>(17,571,313)</b>	<b>(4,347,739)</b>
<b>Attributable to:</b>					
- The Parent Company's shareholders		(12,755,041)	(5,346,024)	(17,664,268)	(4,414,883)
- Non-controlling interests		--	228	--	(1,076)
		<b>(12,755,041)</b>	<b>(5,345,796)</b>	<b>(17,664,268)</b>	<b>(4,415,959)</b>
<b>Basic and diluted losses per share:</b>					
From net loss	11	(0.81)	(0.34)	(1.11)	(0.28)

Chief Financial Officer  
Gamal Nasser Ahmed

Chief Executive Officer  
Mansour Nasser Al- Sulami

Chairman  
Nair Bayan Al- Sulami

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 CASH FLOWS (UNAUDITED)**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**  
(Expressed in Saudi Arabian Riyals)

	Note	For the nine-month period ended 30 September	
		2024 (Unaudited)	2023 (Unaudited)
<b>Operating activities</b>			
Net loss before zakat and foreign tax		(17,271,095)	(4,078,373)
<b>Adjustments for non-cash items:</b>			
Depreciation of property, plant and equipment	4	7,417,399	6,983,514
Amortization of right of use assets	5	6,057,780	3,663,247
Reverse impairment of right-to-use assets	5	--	(1,624,318)
Provision no longer required		(159,905)	--
Amortization of intangible assets		31,546	63,199
Finance cost		2,647,004	3,031,261
Expected credit losses	7	1,456,618	498,113
(Profit) from disposal property, plant and equipment		(5,000)	(367,401)
Share from investment in company through equity method	6	(1,397,341)	(849,722)
Employee termination benefits incurred	10	1,199,197	1,405,679
		(23,797)	8,725,199
<b>Changes in current assets and liabilities</b>			
Inventory		2,068,636	(1,883,752)
Trade receivables		3,931,163	(13,016,739)
Due from related party		1,030,361	2,394,380
Prepayments and other debit balances		2,028,918	(3,211,473)
Trade payable		6,175,157	9,199,937
Accrued expenses and other payables		603,392	6,329,661
Due to related party		--	(2,591,151)
<b>Cash flow generated from operating activities</b>		<b>15,813,830</b>	<b>5,946,062</b>
Employee termination benefits paid	10	(1,622,329)	(1,889,398)
Zakat and income tax paid	12	(263,270)	(184,866)
<b>Net cash flow generated from operating activities</b>		<b>13,928,231</b>	<b>3,871,798</b>
<b>Investing activities</b>			
Addition of property, plant and equipment	4	(4,569,989)	(11,776,766)
Addition of intangible assets		(198,000)	--
Proceeds from sale of property, plant and equipment		7,447	620,997
<b>Net cash flow used in investing activities</b>		<b>(4,760,542)</b>	<b>(11,155,769)</b>
<b>Financing activities</b>			
Payment of term loan	9	(5,064,438)	(5,250,000)
Payment of lease liability contracts	5	(7,715,231)	(5,680,433)
<b>Net cash used in financing activities</b>		<b>(12,779,669)</b>	<b>(10,930,433)</b>
<b>Net change in cash and cash equivalents</b>		<b>(3,611,980)</b>	<b>(18,214,404)</b>
Cash and cash equivalents at the beginning of the period		6,585,363	27,465,154
foreign currency translation differences, net		(92,955)	(68,220)
<b>Cash and cash equivalents at the end of the period</b>		<b>2,880,428</b>	<b>9,182,530</b>

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 CASH FLOWS  
(UNAUDITED)(CONTINUED)  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024  
(Expressed in Saudi Arabian Riyals)

	For the nine-month period ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
<b>Non-cash transactions</b>		
Addition right of use assets	(1,446,966)	(7,360,413)
Lease liabilities contracts	1,446,966	7,360,413
Other income	--	27,188
Re-evaluation of leases related to Right of use assets	(70,275)	--
Re-evaluation of leases related to lease liabilities	70,275	--
Lease liabilities contracts	1,710,879	--
Accrued expenses and other payables	(1,710,879)	--
property, plant and equipment	--	345,845
Intangible assets	--	9,900
Finance cost	2,647,004	3,031,261
Amortization of deferred financing costs	(219,849)	(1,078,658)
Amortization of financing cost related to lease liabilities	(2,427,155)	(1,952,603)

Chief Financial Officer  
Gamal Nasser Ahmed

Chief Executive Officer  
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Chairman  
Nair Bayan Al- Sulami

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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**FOR THE THREE- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**  
(Expressed in Saudi Arabian Riyals)

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**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 11Jumada 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.

The Company is engaged in running restaurants and offering catering services.

The headquarters of the Company general administration is located in Jeddah - Prince Miteb Street.

The consolidated financial statements include the following assets, liabilities and activities of the Group and its subsidiaries:

<u>Commercial Registration No</u>	<u>Location</u>	<u>Commercial Register Date</u>
4030212391	Jeddah	8 Jumada Al-Thani 1432 H
4030212394	Jeddah	8 Jumada Al-Akhir 1432 H
4030212441	Jeddah	11 Jumada Al-Akhir 1432 H
4030212445	Jeddah	11 Jumada Al-Akhir 1432 H
4030212448	Jeddah	11 Jumada Al-Akhir 1432 H
4030212449	Jeddah	11 Jumada Al-Akhir 1432 H
4030212451	Jeddah	11 Jumada Al-Akhir 1432 H
4030263437	Jeddah	14 Rabi Al-Awwal 1435 H
4030279638	Jeddah	7 Rabi Al-Awwal 1436 H
4030280791	Jeddah	11 Jumada Al-Awwal 1436 H
4030318833	Jeddah	27 Rabi' al-Thani 1440 H
4030561800	Jeddah	19 Dhu Al-Qi'dah 1445 H
4030562715	Jeddah	26 Dhu al-Hijjah 1445 H
4030562845	Jeddah	27 Dhu al-Hijjah 1445 H
4031098223	Makkah	6 Rabi Al-Awwal 1438 H
4031212516	Makkah	3 Jumada Al-Akhir 1439 H
4031283146	Makkah	24 Dhu Al-Qi'dah 1444 H
4603149025	Al Qunfudhah	13 Shaban 1440 H
4650083053	AL Madinah AL Munawwarah	25 Muharram 1439 H

**RAYDAN FOOD COMPANY**  
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**FOR THE THREE- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**  
(Expressed in Saudi Arabian Riyals)

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**1. ORGANISATION AND ACTIVITIES (CONTINUED)**

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>
		<u>2024G</u>	<u>2023G</u>	
Raydan Kitchens and Restaurants Egypt (Limited liability Company)	Egypt	100%	100%	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.

\* The second partner in the subsidiary company, Mr. Mansour bin Awad Allah bin Ahmed Al-Salmi, decided to waive his entire share in the company's capital amounting to 1% in favor of the first partner, Redan Food Company - a Saudi joint stock company - who owns 99% of the company's capital, so that the capital becomes fully owned 100% in favor of Redan Food Company - a Saudi joint stock company. An extraordinary general assembly meeting was held on 25 October, 2023 AD, to acknowledge the waiver, and the company's articles of association and commercial register are being amended to transform the company into a one-person limited liability company.

**2. BASIS OF PREPERATION**

**2-1 Statement of Compliance**

The interim condensed consolidated financial statements have been prepared for the three- and nine-month periods ended 30 September 2024 in accordance with International Accounting Standard (34) "Interim Financial Reporting" "endorsed in the Kingdom of Saudi Arabia pronouncements that are endorsed by Saudi Organization for Certified Public Accountants. 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 2023.

The accounting policies and calculation methods applied in preparing the consolidated financial statements of the Group for the year ended 31 December 2023.

**2-2 Basis of Measurement**

Interim condescend consolidated financial statements have been prepared on the historical cost basis, unless IFRSs permit measurement using other valuation techniques.

Interim condescend consolidated financial statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the amounts disclosed in the financial statements. These significant estimates and assumptions are disclosed in the financial statement for the year ending December 31, 2023

he Interim condescend Consolidated financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The Interim condescend financial statements are presented in Saudi riyals, which is the functional and presentation currency.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**  
(Expressed in Saudi Arabian Riyals)

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**2. BASIS OF PREPERATION (CONTINUED)**

**2-3 Use of judgements and estimates**

The preparation of the Interim condensed Consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and actual results may differ from these estimates.

Estimates and assumptions are based on previous experience and factors that may include expecting suitable future events which are used to extend book period of dependent assets and liabilities from other resources and estimates and assumptions are continuously being evaluated. Revised accounting estimates are reviewed in the period in which the estimates are revised in the audit period and future periods, if the changed estimates affect current and future periods.

Significant judgments made by the management upon the adopting the Group's accounting policies correspond to the disclosed policies in last year's financial statements.

**Going Concern**

The Group's management has assessed the Company's ability to continue as a going concern, and is convinced that the Group's has sufficient resources to continue its business in the near future. In addition, the management does not have any material doubts about the Group's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3/1 Basis of consolidation of financial statements**

The consolidated financial statements of the Company's include the financial statements and its subsidiary as shown in Note No. (1). Control is achieved when the Group's is exposed, or has rights, to returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company considers controlling an investee when the Group's has:

1. Control of the investee company (existing rights that give it the current ability to direct the activities of the investee).
2. Exposure to risks and rights to various returns from its overlap with the investee company.
- 3- The ability to use its power over the investee company to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one of the elements of control described above. The process of consolidation of a subsidiary begins when the group obtains control of the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group acquires control of the subsidiary until the date it ceases.

Profits and losses and all components of other comprehensive income are attributable to the equity holders of the Company's parent company and to the holders of the non-controlling interests, even if this results in a deficit balance in favor of the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3/1 Basis of consolidation of financial statements (CONTINUED)**

A change in the ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction, when the Group loses control of a subsidiary that.

- De-recognition of the assets (including goodwill) and liabilities of the subsidiary.
- De-recognition of the carrying amount of any non-controlling interest.
- Establishing the fair value of the amount received.
- Recognize the fair value of any investment held.
- Proving the surplus or deficit in profit or loss

The Parent Company's share of the aforementioned components of other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets and liabilities.

**Eliminations**

Intra-group balances and transactions, as well as any unrealized gains or losses arising from intra-group transactions, are eliminated in full when preparing these financial statements. Unrealized gains arising from transactions with equity investees are eliminated to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but to the extent that there is no evidence of impairment

**Non-controlling interests**

Non-controlling interests in the net assets of a subsidiary are recognized separately from the Group's rights to those net assets. Non-controlling interests consist of the amounts of those interests recognized at the date of the original business combination plus their interest in changes in equity in the company that occur after the acquisition date.:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3/2 New and amended IFRS standards issued**

A number of new amendments to the standards, listed below, are effective this year but do not have a material impact on the Company's interim condensed consolidated financial statements:

<u>Amendments to standards</u>	<u>Description</u>	<u>Effective from accounting period beginning on or after</u>	<u>Summary of amendment</u>
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The company has not applied the new international financial reporting standards and the following amended standards that have been issued and have not yet come into effect.

<u>Amendments to standards</u>	<u>Description</u>	<u>Effective from accounting period beginning on or after</u>	<u>Summary of amendment</u>
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

**RAYDAN FOOD COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE THREE- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**

(Expressed in Saudi Arabian Riyals)

**4. PROPERTY, PLANT AND EQUIPMENT, NET**

4/1 The following is a statement of the net book value of property, plant and equipment:

	Property, Plant and Equipment	Capital work in progress	30 September 2024	31 December 2023
<b><u>Cost:</u></b>				
Balance at the beginning of the period / year	243,262,585	20,634	243,283,219	234,991,842
Addition during the period / year	--	4,569,989	4,569,989	13,158,499
Transfer from Capital work in progress	3,630,382	(3,630,382)	--	--
Disposal during the period / year	(21,853)	--	(21,853)	(4,867,122)
<b>Balance at the end of the period / year</b>	<b>246,871,114</b>	<b>960,241</b>	<b>247,831,355</b>	<b>243,283,219</b>
<b><u>Accumulated Depreciation:</u></b>				
Balance at the beginning of the period / year	102,031,241	--	102,031,241	94,141,759
Charge during the period / year (Note 4/4)	7,417,399	--	7,417,399	11,046,170
Disposal during the period / year	(19,406)	--	(19,406)	(3,156,688)
<b>Balance at the end of the period / year</b>	<b>109,429,234</b>	<b>--</b>	<b>109,429,234</b>	<b>102,031,241</b>
<b><u>Provision for impairment:</u></b>				
Balance at the end of the period / year	9,572,027	--	9,572,027	9,572,027
<b>Net book values for the period Ended 30 September 2024/ 31 December 2023 (audited)</b>	<b>127,869,853</b>	<b>960,241</b>	<b>128,830,094</b>	<b>131,679,951</b>

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**4. PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)**

**4/2 Provision for obligations for removal, site rehabilitation and dismantling:**

Decommissioning allocations are created to meet the obligation to close sites and level and dismantle factories and related infrastructure. These obligations are expected to be incurred in the year in which the sites are expected to close. The administration estimates the provision based on the administration's understanding of the current legal requirements in the Kingdom of Saudi Arabia and the terms of the licensing agreements and engineering estimates. According to the management's assessment, it was found that the impact of these provisions is not material to the financial statements. Therefore, the financial statements were not affected by the impact of the allocations for the removal and dismantling obligation.

**4/3 Mortgages on real estate, property and equipment:**

The land item includes lands with a book value of 9,050,652 SR (31 December 2023: 9,050,652) mortgaged as security against a long-term loan (Note 9)

**4/4 The depreciation charged for the period was distributed as follows:**

	<b>30 September 2024</b> <b>(Unaudited)</b>	30 September 2023 <b>(Unaudited)</b>
cost of Sales	<b>6,828,540</b>	6,312,451
General and administrative expenses	<b>588,859</b>	671,063
	<b>7,417,399</b>	6,983,514

**5. RIGHT OF USE ASSETS, NET**

**5/1 The movement on the right to use assets, net, is as follows:**

	<b>30 September 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
<b><u>Cost:</u></b>		
Balance at the beginning of the period / Year	<b>76,758,261</b>	57,385,446
Addition during the period / Year	<b>1,446,966</b>	19,372,815
Leases Contracts amends during the period / Year	<b>70,275</b>	--
<b>Balance at the end of the period / Year</b>	<b>78,275,502</b>	76,758,261
<b><u>Accumulated Amortization:</u></b>		
Balance at the beginning of the period / Year	<b>18,692,235</b>	12,557,596
Charge during the period / Year	<b>6,057,780</b>	6,134,639
<b>Balance at the end of the period / Year</b>	<b>24,750,015</b>	18,692,235
<b><u>Impairment of right-to-use assets:</u></b>		
Balance at the beginning of the period / Year	<b>2,139,707</b>	11,496,639
Addition during the period / Year	--	2,139,707
Reversal of Impairment during the period / Year	--	(11,496,639)
<b>Balance at the end of the period / Year</b>	<b>2,139,707</b>	2,139,707
<b>Net book values of the period/ year</b>	<b>51,385,780</b>	55,926,319

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**5. RIGHT OF USE ASSETS, NET (CONTINUED)**

**5/1 The movement on the right to use assets, net, is as follows: (continued)**

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

\* As of 31 December, 2023, the management assessed the impairment of the right to use assets of the Company's branches through an external valuer accredited by the Saudi Authority for Accredited Valuers, "Sadaqa Certified Public Accountants and Consultants" License No. 3912000017. The assessment was made considering the Company's branches as cash-generating units. The management considered the results of the Company's branches' operations for the year ended on that date and the results of previous periods as an indicator of impairment. Accordingly, it conducted a detailed assessment of the impairment as of December 31, 2023. Based on these assessments, each branch was considered as a cash-generating unit and the recoverable value was estimated based on the business plans approved by the Board of Directors, which reflect the management's view of market conditions. Some key assumptions and judgments were also used, such as estimating appropriate growth and discount rates.

Furthermore, management concluded that the recoverable value of some cash generating units was higher than their carrying value, and accordingly, impairment losses recorded for these units during prior periods were reversed.

**5/2 The movement on lease liabilities is as follows:**

	<b>30 September 2024</b> <b>(Unaudited)</b>	31 December 2023 (Audited)
Balance at the beginning of the period / Year	<b>62,319,967</b>	49,322,536
Addition during the period / Year	<b>1,446,966</b>	19,372,815
Interest charged during the period/year	<b>2,427,154</b>	2,995,808
Paid during the period/year	<b>(7,715,229)</b>	(7,550,125)
Transferred to Accrued Expenses and Other Payables	<b>(1,710,879)</b>	(1,821,067)
Leases Contracts amends during the period/year	<b>70,275</b>	-
	<b>56,838,254</b>	62,319,967

**5/3 Lease liabilities as classified in the statement of financial position:**

	<b>30 September 2024</b> <b>(Unaudited)</b>	31 December 2023 (Audited)
current liabilities	<b>9,426,109</b>	10,361,073
Non-current liabilities	<b>47,412,145</b>	51,958,894
	<b>56,838,254</b>	62,319,967

Lease liabilities were discounted using the Group's average marginal assumption rate of 4.5% to 8%

**5/4** Expenses related to short-term and low-value leases for the period ended 30 September, 2024 amounted to SAR 505,745 (30 September, 2023: SAR 600,445) and there are no commitments related to those contracts. These amounts were recorded as operating leases and were not included in the right to use assets.



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**5. RIGHT OF USE ASSETS, NET (CONTINUED)**

5/5 The undiscounted future cash flows for lease obligations are as follows:

	<b>30 September 2024</b> <b>(Unaudited)</b>	31 December 2023 (Audited)
within one year	<b>9,426,109</b>	10,361,072
From 1 to 5 years	<b>38,664,340</b>	53,411,234
More than 5 years	<b>22,740,000</b>	30,975,417
	<b>70,830,449</b>	94,747,723

**6. INVESTMENT IN ASSOCIATE COMPANY THROUGH EQUITY METHOD**

6/1 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 Company's share in the capital of Al Jonah Company as on 30 September 2024 amounted to 30% (31 December 2023: 30%), and the investment movement was as follows:

	<b>Notes</b>	<b>30 September 2024</b> <b>(Unaudited)</b>	31 December 2023 (audited)
<b><u>Investment cost</u></b>			
Share in capital (1)		<b>14,850,000</b>	14,850,000
<b>Addition:</b>			
Good Will		<b>41,924,283</b>	41,924,283
<b>Total</b>		<b>56,774,283</b>	56,774,283
<b><u>share in the results of the associate's business</u></b>			
Share of business results at the beginning of the period / year		<b>(1,527,759)</b>	589,233
Share of business results at the period /year	6/3	<b>1,397,341</b>	(1,993,045)
Share of other comprehensive Loss at the period /year		--	(123,947)
<b>Total Company's share in the results of the associate's business (2)</b>		<b>(130,418)</b>	(1,527,759)
Share of the parent company 30% (1+2)	6/2	<b>14,719,582</b>	13,322,241
<b>Deduct:</b>			
Impairment in Investment	6/4	<b>(15,687,536)</b>	(15,687,536)
<b>Balance of the investment in an associate company through equity method</b>		<b>40,956,329</b>	39,558,988

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**6. INVESTMENT IN ASSOCIATE COMPANY THROUGH EQUITY METHOD (CONTINUED)**

6/2 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:

	<b>30 September 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Current assets	<b>20,566,398</b>	19,038,837
Non-current assets	<b>92,321,734</b>	96,374,036
Current liability	<b>(43,481,516)</b>	(49,449,576)
Non-current liability	<b>(20,341,343)</b>	(21,555,827)
Total equity	<b>49,065,273</b>	44,407,470
Company's share "Raydan food company" 30%	<b>14,719,582</b>	13,322,241

6/3 The following is a summary of the profit or loss statement for Al-Jonah Company for the six-month period/ year:

	<b>30 September 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Sales	<b>77,229,282</b>	74,974,783
Cost of sales	<b>(47,564,828)</b>	(47,078,005)
Operating expenses	<b>(25,965,404)</b>	(33,368,601)
Non-operating income & losses	<b>958,753</b>	(1,171,660)
Income / (loss) for the period	<b>4,657,803</b>	(6,643,483)
Other Comprehensive income	--	(413,157)
Share of business results at the period /year 30%	<b>1,397,341</b>	(1,993,045)
Share of other comprehensive Loss at the period /year 30%	--	(123,947)

**6/4 Impairment in Investment**

At the date of 31 December 2023, management evaluated prepared impairment study for investment in AL Jonah sweet and outside catering limited (associate company) by evaluating the company as a cash-generating unit, and according to management's estimates that there are indicators of impairment in the value of the investment in the associate company, (AL Jonah sweet and outside catering limited) at the date of 31 December 2024 evaluation maintained through a local evaluator authorized by the Saudi Evaluators Authority "Sadaqa Certified Public Accountants with license number 3912000017 and the evaluation resulted 15.7 M SAR.

Important principles and assumptions used in the evaluation:

- 1- Growth rates from 5% to 10%
- 2- periods of approved business plans are 10 years
- 3- Discount rate 13.74%

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**7. TRADE RECEIVABLES, NET**

	<b>Note</b>	<b>30 September 2024</b> <b>(Unaudited)</b>	<b>31 December 2023</b> <b>(Audited)</b>
Trade receivables		<b>5,482,283</b>	9,413,446
Expected credit loss - ECL	7/1	<b>(1,976,767)</b>	(520,149)
		<b>3,505,516</b>	8,893,297

**7/1 The movement in the provision for expected credit losses for the period/year ended is as follows:**

	<b>30 September 2024</b> <b>(Unaudited)</b>	<b>31 December 2023</b> <b>(Audited)</b>
Balance at the beginning of the period / Year	<b>520,149</b>	446,902
Charge during the period / Year	<b>1,456,618</b>	73,247
<b>Balance at the end of the period / Year</b>	<b>1,976,767</b>	520,149

The aging analysis table for trade receivables as at the end of the period/year is as follows:

Duration	<b>30 September 2024</b> <b>(Unaudited)</b>		<b>31 December 2023</b> <b>(Audited)</b>	
	<b>Balance</b>	<b>Impairment</b>	Balance	Impairment
Not due	<b>2,274,567</b>	<b>17,066</b>	5,442,942	111,922
1 to 60 days	<b>365,541</b>	<b>55,087</b>	3,737,673	273,630
61 to 120 days	<b>716,492</b>	<b>222,081</b>	94,887	21,481
More than 120 days	<b>2,125,683</b>	<b>1,682,533</b>	137,944	113,116
	<b>5,482,283</b>	<b>1,976,767</b>	9,413,446	520,149

- The credit periods granted to customers range from 30-365 days and are classified according to their ages after taking into consideration the impact of those periods.

- Collections in the subsequent period amounted to SAR 1.7 million from the Company's outstanding trade receivables balances on September 30, 2024 (December 31, 2023: SAR 4.2 million), which were excluded from trade receivables when calculating expected credit losses, so that the net receivables balance subject to calculation became SAR 3.8 million (December 31, 2023: SAR 5.3 million) classified according to their ages.

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**8. PREPAYMENTS AND OTHER CREDIT BALANCES, NET**

	<b>30 September 2024 (Unaudited)</b>	31 December 2023 (Audited)
Prepayments and other credit balances	<b>14,147,868</b>	16,176,786
Allowance for impairment of accounts receivable	<b>(1,384,911)</b>	(1,384,911)
	<b>12,762,957</b>	14,791,875

**Prepayments and other debit balances include:**

- The value of the land and building (Kilo 14 branch) expropriated by government agencies for the development of slum areas in Jeddah, with a book value of 3,469,031 Saudi riyals, which is the value expected to be received as compensation from the competent authorities in exchange for expropriation. The value was determined based on the approved evaluation reports as of December 31, 2022 from an accredited appraiser who holds an expropriation certificate from the Saudi Authority for Accredited Appraisers, Saber Real Estate Appraisal - License No. 1210000589, The title deed of the Kilo 14 branch land (Ain Al-Azizia area) owned by the parent company is still in the name of the previous owner according to the sale and payment of the price.

**9. LOANS AND BANK FACILITIES**

During the year of 2018, The Company has a long-term loan of SAR 35.1 million in the form of a long-term finance lease to finance capital expansions. This loan is secured by a mortgage on plots of land from the Group (Note 4). This loan carries 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 calculated amount is repayable in quarterly installments ending on 15 October, 2024.

In 2020, the Company reached an agreement to reschedule the loan installments, which resulted in additional financing charges of SAR 3,216,731, to be paid during the new loan term, which will end on October 15, 2024.

**9/1 Current and non-current loans:**

	<b>30 September 2024 (Unaudited)</b>	31 December 2023 (Audited)
Yanal Finance Company (formerly Saudi Orix)	<b>5,350,569</b>	10,195,158
	<b>5,350,569</b>	10,195,158

**9/2 Movement in loans:**

	<b>30 September 2024 (Unaudited)</b>	31 December 2023 (Audited)
Balance at the beginning of the period / Year	<b>10,195,158</b>	15,756,948
Interest charge during the period / year	<b>219,848</b>	1,438,210
Paid during the period/year	<b>(5,064,437)</b>	(7,000,000)
<b>Balance at the end of the period / Year</b>	<b>5,350,569</b>	10,195,158

**9/3 The financing maturity schedule is as follows at the end of the period/year:**

	<b>30 September 2024 (Unaudited)</b>	31 December 2023 (Audited)
2024	<b>5,350,569</b>	10,195,158
	<b>5,350,569</b>	10,195,158

**10. EMPLOYEE TERMINATION BENEFITS**

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	<b>30 September 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Balance at the beginning of the period / Year	<b>10,956,265</b>	12,360,015
<b>Charged to profit or loss statement</b>		
Charged to profit or loss during the period / Year	<b>1,199,197</b>	1,310,709
Interest cost during the period / year	<b>--</b>	587,982
	<b>1,199,197</b>	1,898,691
<b>Charged to OCI</b>		
Re-measurement (Gain)	<b>--</b>	(145,833)
Paid during the period /year	<b>(1,622,329)</b>	(3,156,608)
Balance at the end of the period / Year	<b>10,533,133</b>	10,956,265

**11. BASIC AND DILUTED LOSS PER SHARE**

The loss per share was calculated from the net loss for the period ending 30 September 2024, based on the average number of shares outstanding on that date, amounting to 15,808,467 shares (30 September,2023: 15,808,467 million shares).

	<b>For the three-month period</b> <b>ended 30 September</b>		<b>For the nine-month period</b> <b>ended 30 September</b>	
	<b>2024</b> <b>(Unaudited)</b>	2023 <b>(Unaudited)</b>	<b>2024</b> <b>(Unaudited)</b>	2023 <b>(Unaudited)</b>
Net loss attributable to the shareholders of the company	<b>(12,754,247)</b>	(5,345,249)	<b>(17,571,313)</b>	(4,347,739)
Weighted average number of common shares	<b>15,808,467</b>	15,808,467	<b>15,808,467</b>	15,808,467
Loss basic per share (EPS) from continuing operations	<b>(0.81)</b>	(0.34)	<b>(1.11)</b>	(0.28)

Loss per share is calculated from the net loss for the period based on the weighted average number of common shares outstanding after adjusting for the effect of the potential dilution of common shares, if any

During the period there were no diluted shares, so the diluted earnings per share do not differ from the basic earnings per share.

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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:

	<b>30 September 2024</b>	31 December 2023
	<b>(Unaudited)</b>	(Audited)
Balance at the beginning of the period/ year	<b>1,016,127</b>	931,627
Charge during the period/ year	<b>300,218</b>	269,366
Paid during the period/ year	<b>(263,270)</b>	(184,866)
Balance at the end of the period/ year	<b>1,053,075</b>	1,016,127

**Zakat Statues of Raydan Food Company**

- The company submitted its zakat returns till 2023 and settled all liabilities related to this year and received zakat certificate.
- The company received inquiries about the years 2021 and 2022, and they were responded to, and a zakat assessment was issued for the two years in the amount of 1,316,343 Saudi riyals, and the installment request was submitted and approved.
- The company received inquiries about the year 2023, and they are being responded to.

**Tax status of Raydan Food Company**

- VAT returns were submitted monthly until September 2024.
- The company received inquiries about the years 2020, which were responded to, and the Authority Zakat assessment amounted 282,455 and approved it.
- The company received inquiries regarding the years 2021 and 2022, and responses were provided. The amount of SAR 451,881 was linked by the authority, and it has been approved.
- The company received a request for preliminary information from the Authority about the year 2023, which is currently being responded to.

**Raydan Kitchens and Restaurants Company Egypt**

- Tax return was submitted on the legal date and payment of its obligations.

**Corporate Income Tax**

- The company was notified with Form 19 Estimate for the period from the beginning of the activity until 31 December, 2016, and it was objected to and a request for re-examination will be submitted.
- The company was notified with Form (4/3) to prepare the examination documents for the years from 2018 until 2020.
- The tax return for the year ending in 2023 was submitted on the legal date.

**Value Added Tax**

- The company was tax inspected from the beginning of the activity until 2018, and the company paid the tax inspection differences.
- The company has not received any notifications for the years from 2019 to 2023.

**Payroll tax**

The competent authority notified the company with an estimate form (38) for the years since the beginning of the activity, until the year 2016G, and it was objected to within the legal deadlines and a request for re-examination will be submitted.

**Withholding tax**

The company transfer the amounts deducted from the dealing parties to the Tax Authority within the legal deadlines.

**Stamp duty Tax**

The company has not been inspected as of the date of the financial statements.

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**13. 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 September 2024 and 30 September 2023:

**13/1 Transaction with related parties**

Name of Related party	Type of relationship	Nature of transaction	Amount of transaction during the period		Balance	
			30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Al-Jonah Sweets and Outside Catering Ltd	Associate company	Payment	2,900,000	3,857,494	1,916,897	2,947,258
		Expenses	181,791	128,823		
		Purchases	4,353,715	3,825,075		
					<b>1,916,897</b>	<b>2,947,258</b>

Senior management employees are the persons who exercise authority and responsibility in planning, directing and monitoring the company's activities directly or indirectly, including any manager (whether executive or otherwise), whose salaries, wages, and the like during the period amounted to the following:

Nature of transaction	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
	Board members' remuneration	2,064,763
Salaries and allowances	1,971,180	1,829,817
Employee benefit obligations	392,296	283,870
	<b>4,428,239</b>	<b>5,470,504</b>

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**14. OPERATING SEGMENT INFORMATION**

The presentation of the major segments has been determined on the basis that the risks and rewards associated with the Group are significantly affected by the differences in the products of those segments. These sectors are organized and managed separately according to the nature of services and products, so that each of them forms a separate unit. The operating segments described below are identified by distinguishing between service activities from which the Company generates revenues and incurs costs.

The economic characteristics are reviewed and the operating segments are grouped based on the organization conducted by the operating decision maker at least quarterly, which is reviewed by the company's senior management

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
- Catering services
- Other segments

The following is a summary of some financial information by business Segments as at and for the three-month periods ended on 30 September 2024 and 2023, which are summarized according to the business segments mentioned above:

<b><u>30 September 2024</u></b> <b><u>(Unaudited)</u></b>	<b>Segment Reports</b>			
	<b>Traditional meals (Branches)</b>	<b>Catering Services</b>	<b>Other segments</b>	<b>Total</b>
<b>Revenue</b>	<b>111,275,316</b>	<b>10,314,096</b>	<b>1,160,684</b>	<b>122,750,096</b>
<b>Cost of revenue</b>	<b>(131,014,321)</b>	<b>(10,704,429)</b>	<b>1,397,341</b>	<b>(140,321,409)</b>
<b>Net (loss) / profit of the sector</b>	<b>(19,739,004)</b>	<b>(390,333)</b>	<b>2,558,025</b>	<b>(17,571,312)</b>
<b>Sector assets</b>	<b>181,029,316</b>	<b>8,541,785</b>	<b>56,643,865</b>	<b>246,214,966</b>
<b>Sector liabilities</b>	<b>106,151,051</b>	<b>3,670,238</b>	<b>--</b>	<b>109,821,289</b>

<b><u>30 September 2023</u></b> <b><u>(Unaudited)</u></b>	<b>Segment Reports</b>			
	<b>Traditional meals (Branches)</b>	<b>Catering Services</b>	<b>Other segments</b>	<b>Total</b>
<b>Revenue</b>	<b>116,869,518</b>	<b>24,674,860</b>	<b>2,620,356</b>	<b>144,164,734</b>
<b>Cost of revenue</b>	<b>(132,705,330)</b>	<b>(16,656,865)</b>	<b>849,722</b>	<b>(148,512,473)</b>
<b>Net loss/ profit of the sector</b>	<b>(15,835,812)</b>	<b>8,017,995</b>	<b>3,470,078</b>	<b>(4,347,739)</b>
<b>Sector assets</b>	<b>221,163,930</b>	<b>8,830,698</b>	<b>58,213,238</b>	<b>288,207,866</b>
<b>Sector liabilities</b>	<b>103,698,420</b>	<b>3,931,458</b>	<b>--</b>	<b>107,629,878</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE THREE- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**

(Expressed in Saudi Arabian Riyals)

**15. GEOGRAPHICAL SEGMENT INFORMATION**

**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. The following is a summary of some information according to geographical regions:

	<u>Western region</u>	<u>Other regions</u>	<u>Total</u>
<b><u>As at 30 September 2024, and for the nine-month period then ended:</u></b>			
<b>Revenue</b>	<b>121,589,412</b>	<b>1,160,684</b>	<b>122,750,096</b>
<b>Property, plant and equipment</b>	<b>128,830,094</b>	<b>--</b>	<b>128,830,094</b>
	<u>Western region</u>	<u>Other regions</u>	<u>Total</u>
<b><u>As at 30 September 2023, and for the nine-month period then ended:</u></b>			
<b>Revenue</b>	141,544,378	2,620,356	144,164,734
<b>Property, plant and equipment</b>	131,679,951	-	131,679,951

**16. FINANCIAL INSTRUMENTS**

**16/1 Fair value measurement of financial instruments**

As of 30 September 2024, and 31 December, 2023, the Company did not have any financial instruments measured at fair value.

**16/2 Financial Instruments Risk Management**

The Company's activities expose it to multiple financial risks such as credit risk, liquidity risk, market price risk, currency risk and interest rate risk.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to meet its obligation, causing the other party to incur a financial loss. The company is exposed to credit risk through trade receivables, due from related parties and bank balances as follows:

- The Company manages credit risk in trade receivables by setting credit limits for each customer and monitoring uncollected receivables on an ongoing basis.
- Debtors are monitored so that the company does not incur material bad debts. Cash balances are held in banks with financial institutions with high credit ratings.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell financial assets quickly at an amount close to their fair value. Liquidity risk is managed by monitoring liquidity on an ongoing basis and ensuring that adequate financial resources are available. Concentrations of liquidity risk may arise from the terms of payment of financial liabilities, sources of funding and borrowings, or reliance on a specific market for liquid assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE THREE- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**

(Expressed in Saudi Arabian Riyals)

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**16. FINANCIAL INSTRUMENTS (CONTINUED)**

**16/2 Financial Instruments Risk Management (continued)**

**Market price risk**

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, affecting a company's profit or the value of its financial assets. The objective of market risk management is to manage and maintain market risk exposure within acceptable limits, while optimizing the return.

**Currency Risk**

Currency risk is the risk that the value of financial instruments will fluctuate as a result of changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency different from the Company's functional currency.

**Capital Management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders, and to maintain a strong capital base to support the sustainable development of its business.

**17. FINANCIAL INSTRUMENTS**

The Group's financial assets consist of cash and cash equivalents, due from related parties and trade receivables, net, and its financial liabilities consist of trade payables, and long-term loan. The fair values of financial instruments are not materially different from their carrying values. As at 30 September 2024, the Group did not hold any financial instruments measured at fair value.

**18. 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.

**19. COMPARISON FIGURES**

Certain comparative figures have been reclassified to conform to the current presentation of the condensed consolidated interim financial statements.

**20. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved by the Board of Directors on 7 Jumada al Ula 1446H corresponding to 9 November 2024