

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE-MONTH PERIOD ENDED  
31 MARCH 2022**

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**And Independent Auditor's Review Report**

**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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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  
Jeddah, Kingdom of Saudi Arabia

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Raydan Food Company (the "Company"), a Saudi Joint Stock Company, and its subsidiary (hereinafter referred to as the "Group") as at 31 March 2022, and the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month period and the related interim condensed consolidated statements of changes in equity and cash flows for the three-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 conducted 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**

Nothing came to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respect, in accordance with International Accounting Standards 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

**BAKER TILLY MKM & CO.**  
*Certified Public Accountants*

  
Ayad Obeyan Alseraihi  
License No. 405

Jeddah on 22 Shawwal 1443H  
Corresponding to 23 May 2022



**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2022**

		<i>31 March 2022</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2021 (Audited)</i>
		<i>SR</i>	<i>SR</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	121,277,973	127,779,212
Intangible assets		97,904	135,160
Right of use assets	5	34,547,692	35,590,920
Investment in an associate	6	60,534,294	61,625,341
		<b>216,457,863</b>	<b>225,130,633</b>
<b>Current assets</b>			
Inventories		2,941,700	2,360,691
Trade receivables		3,035,236	3,331,492
Due from related parties	7	10,391,825	8,482,038
Prepayments and other receivables		8,767,037	6,146,376
Cash and cash equivalents		71,836,527	76,188,384
		<b>96,972,325</b>	<b>96,508,981</b>
Assets held for sale		<b>3,200,000</b>	<b>3,200,000</b>
		<b>100,172,325</b>	<b>99,708,981</b>
<b>TOTAL ASSETS</b>		<b>316,630,188</b>	<b>324,839,614</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital		337,500,000	337,500,000
Statutory reserve		27,413,798	27,413,798
Accumulated losses		(162,218,396)	(157,504,107)
Foreign currency translation reserve		419,407	508,314
<b>Equity attributable to the shareholders of the Company</b>		<b>203,114,809</b>	<b>207,918,005</b>
Non-controlling interest		<b>5,359</b>	<b>2,312</b>
<b>Total equity</b>		<b>203,120,168</b>	<b>207,920,317</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	8	46,306,798	44,099,371
Long-term loan	9	12,988,789	14,318,738
Employee termination benefits	10	15,378,276	15,438,313
		<b>74,673,863</b>	<b>73,856,422</b>
<b>Current liabilities</b>			
Current portion of lease liabilities	8	6,043,868	9,293,535
Current portion of long-term loan	9	6,250,000	6,000,000
Trade payables		15,369,450	16,397,744
Due to related parties	7	10,962,973	11,161,730
Zakat payable	11	209,866	209,866
		<b>38,836,157</b>	<b>43,062,875</b>
<b>Total liabilities</b>		<b>113,510,020</b>	<b>116,919,297</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>316,630,188</b>	<b>324,839,614</b>

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 PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

	Note	For the three-month period ended 31	
		March	
		2022	2021
		SR	SR
<b>Continued operation:</b>			<i>(Restated - Note 14)</i>
Revenue from contracts with customers		37,338,119	32,873,716
Cost of revenue		(34,974,427)	(35,816,596)
<b>Gross profit / (loss)</b>		<b>2,363,692</b>	<b>(2,942,880)</b>
Selling and marketing expenses		(374,938)	(554,521)
General and administrative expenses		(5,760,635)	(4,840,574)
Losses from disposal of property, plant and equipment		(59,199)	(2,050)
Losses from disposal right of use assets		(6,377)	-
Other operating income		813,295	663,357
<b>Operating loss</b>		<b>(3,024,162)</b>	<b>(7,676,668)</b>
Share of results in an associate	6	(687,847)	(370,218)
Finance costs		(1,001,683)	(1,138,782)
<b>Net loss before zakat and income tax</b>		<b>(4,713,692)</b>	<b>(9,185,668)</b>
Zakat and income tax	11	-	-
<b>Net loss for the period</b>		<b>(4,713,692)</b>	<b>(9,185,668)</b>
<b>Discontinued operations:</b>			
Loss from discontinued operations, after income tax		-	(64,078)
<b>Net loss</b>		<b>(4,713,692)</b>	<b>(9,249,746)</b>
<b>Attributable to:</b>			
The Company's shareholders		(4,714,289)	(9,249,106)
Non-controlling interests		597	(640)
		<b>(4,713,692)</b>	<b>(9,249,746)</b>
<b>Other Comprehensive Income (OCI)</b>			
<i>OCI that may be reclassified to profit or loss subsequently:</i>			
Exchange differences on translation of foreign operations		(88,907)	803
<b>Total other comprehensive loss</b>		<b>(88,907)</b>	<b>803</b>
<b>Total comprehensive loss</b>		<b>(4,802,599)</b>	<b>(9,248,943)</b>
<b>Attributable to:</b>			
The Company's shareholders		(4,803,196)	(9,248,311)
Non-controlling interests		597	(632)
		<b>(4,802,599)</b>	<b>(9,248,943)</b>
<b>Basic and diluted losses per share:</b>			
from continued operation	12	(0.14)	(0.41)
From net loss	12	(0.14)	(0.41)

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 CHANGES IN EQUITY (UNAUDITED)****FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

	<i>Equity attributable to the shareholders of the Company</i>						
	<i>Capital</i>	<i>Statutory reserve</i>	<i>Accumulated losses</i>	<i>Foreign currency translation reserve</i>	<i>Equity attributable to the shareholders of the Company</i>	<i>Non-controlling interest</i>	<i>Total equity</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<b>For the three-month period ended 31 March 2022:</b>							
As at 1 January 2022	337,500,000	27,413,798	(157,504,107)	508,314	207,918,005	2,312	207,920,317
Loss for the period	-	-	(4,714,289)	-	(4,714,289)	597	(4,713,692)
Other comprehensive loss	-	-	-	(88,907)	(88,907)	-	(88,907)
Total comprehensive loss	-	-	(4,714,289)	(88,907)	(4,803,196)	597	(4,802,599)
Movement during the period	-	-	-	-	-	2,450	2,450
As at 31 March 2022	<u>337,500,000</u>	<u>27,413,798</u>	<u>(162,218,396)</u>	<u>419,407</u>	<u>203,114,809</u>	<u>5,359</u>	<u>203,120,168</u>
<b>For the three-month period ended 31 March 2021:</b>							
As 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 (restated note-14)	-	-	(9,249,106)	-	(9,249,106)	(640)	(9,249,746)
Other comprehensive income	-	-	-	795	795	8	803
Total comprehensive loss	-	-	(9,249,106)	795	(9,248,311)	(632)	(9,248,943)
As at 31 March 2021	<u>225,000,000</u>	<u>27,413,798</u>	<u>(120,821,015)</u>	<u>507,452</u>	<u>132,100,235</u>	<u>21,066</u>	<u>132,121,301</u>

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 THREE-MONTH PERIOD ENDED 31 MARCH 2022**

	For the three-month period ended 31	
	2022	2021
	SR	SR
<b>OPERATING ACTIVITIES</b>		<i>(Restated - Note 14)</i>
Loss for the period	(4,713,692)	(9,249,746)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	2,406,115	3,018,579
Depreciation of right of use assets	914,278	1,764,226
Amortization of intangible assets	37,256	35,046
Finance costs incurred	1,001,683	1,138,782
Loss from disposal of property, plant and equipment	59,199	2,050
Share of result from an associate	687,847	370,218
Loss from disposal of right of use assets	6,377	-
Employee termination benefits incurred	387,905	441,821
Zakat and income tax charges	-	-
	<b>786,968</b>	<b>(2,479,024)</b>
Changes in working capital:		
Inventories	(581,009)	567,024
Trade receivables	296,256	(204,883)
Due from related parties	(575,787)	(617,563)
Prepayments and other receivables	153,687	156,446
Trade payables	(1,028,294)	2,603,603
Due to related parties	(198,757)	(50,887)
	<b>(1,146,936)</b>	<b>(25,284)</b>
Employee termination benefits paid	(447,942)	(900,936)
Zakat and income tax paid	-	-
<b>Net cash flows used in operating activities</b>	<b>(1,594,878)</b>	<b>(926,220)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(666,334)	(270,285)
Proceeds from disposed of property, plant and equipment	997,111	10,000
<b>Net cash flows From / (used in) from investing activities</b>	<b>330,777</b>	<b>(260,285)</b>
<b>FINANCING ACTIVITIES</b>		
Loan repayments	(1,500,000)	(1,000,000)
Payment of lease liabilities	(1,501,299)	(1,215,167)
Movement in Non-controlling interest	2,450	-
<b>Net cash flows used in financing activities</b>	<b>(2,998,849)</b>	<b>(2,215,167)</b>
<b>Net change in cash and cash equivalents</b>	<b>(4,262,950)</b>	<b>(3,401,672)</b>
Cash and cash equivalents at 1 January	76,188,384	5,382,116
foreign currency translation impact	(88,907)	802
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>71,836,527</b>	<b>1,981,246</b>
<b>Non cash transaction:</b>		
Unrealized gain from the associate Company	403,200	-
Accrued proceeds from disposal of property, plant and equipment	4,108,348	-

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 (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

#### 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 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>
Raydan Kitchens and Restaurants Egypt (Limited liability Company	Egypt	99%

On 22 Safa 1443 corresponding to 29 September 2021 management has signed an agreement with Al Rayah 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:

	<b>For the Three-month period ended 31 March (Unaudited)</b>	
	<b>2022</b>	<b>2021</b>
	<b>SR</b>	<b>SR</b>
Revenue	-	1,450,390
Cost of revenue	-	(1,366,860)
Other income	-	(202,681)
General and administrative expenses	-	55,073
<b>Net loss from discontinued operations</b>	<b>-</b>	<b>(64,078)</b>



**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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**2 BASIS OF PREPARATION**

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.

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED) (UNAUDITED)**

**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

**4 PROPERTY, PLANT AND EQUIPMENT**

	<i>For the three- month period ended 31 March 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>SR</i>	<i>SR</i>
<b>Cost:</b>		
Balance at the beginning of the period / year	247,540,901	270,818,167
Additions during period / year	666,334	3,926,950
Disposals during period / year	(11,203,267)	(18,201,069)
Transfer to assets held for sale during period / year	-	(9,003,147)
Balance at the end of the period / year	<u>237,003,968</u>	<u>247,540,901</u>
<b>Accumulated depreciation:</b>		
Balance at the beginning of the period / year	119,761,689	117,928,845
Charge during period / year	2,406,115	11,197,140
Impairment reversal during period / year	-	(2,280,215)
Disposals during period / year	<u>(6,441,809)</u>	<u>(7,084,081)</u>
Balance at the end of the period / year	<u>115,725,995</u>	<u>119,761,689</u>
Net Book Value at the end of the period / year	<u>121,277,973</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**

	<i>Branches and warehouses locations</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>
<b>Cost:</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	59,864,583	59,864,583
<b>Lease termination</b>	<u>(249,177)</u>	<u>(249,177)</u>
<b>At 31 March 2022</b>	<u>59,615,406</u>	<u>59,615,406</u>
<b>Accumulated depreciation:</b>		
At 1 January 2021	32,406,857	32,406,857
Charge for the 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	24,273,663	24,273,663
<b>Charge for the period</b>	<u>914,278</u>	<u>914,278</u>
<b>Lease termination</b>	<u>(120,227)</u>	<u>(120,227)</u>
<b>At 31 March 2022</b>	<u>25,067,714</u>	<u>25,067,714</u>
<b>Net book value:</b>		
<b>At 31 March 2022</b>	<u>34,547,692</u>	<u>34,547,692</u>
At 31 December 2021	<u>35,590,920</u>	<u>35,590,920</u>

The Group leases warehouses and branch sites. The term of these leases ranges from 3 to 30 years.

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED) (UNAUDITED)****FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022****6 INVESTMENT IN AN ASSOCIATE****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:

	<i>For the three- month period ended 31 March 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>SR</i>	<i>SR</i>
Balance at the beginning of the period / year	61,625,341	67,541,602
Share of result	(687,847)	(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>60,534,294</u>	<u>61,625,341</u>

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:

	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>SR</i>	<i>SR</i>
Current assets	25,087,880	23,532,618
Non current assets	119,742,965	122,943,473
Current liabilities	(34,334,916)	(46,544,174)
Non current liabilities	(47,111,656)	(34,254,819)
Total Equity	<u>63,384,273</u>	<u>65,677,098</u>
Group's share 30%	19,015,282	19,703,129
Goodwill	41,922,212	41,922,212
Unrealized gain	(403,200)	-
NBV of the investment	<u>60,534,294</u>	<u>61,625,341</u>

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

	<u>31 March 2022</u>	<u>31 March 2021</u>
	<i>SR</i>	<i>SR</i>
		<i>(Restated - Note 14)</i>
Sales	13,557,642	15,010,469
Cost of sales	(9,596,371)	(7,883,394)
Operating expenses	(7,435,140)	(8,748,826)
Non operating income & losses	1,181,046	387,691
Loss for the year	<u>(2,292,823)</u>	<u>(1,234,060)</u>
Group's share 30%	<u>(687,847)</u>	<u>(370,218)</u>

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED) (UNAUDITED)**

**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

**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:

		<b>Rent / sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts due from related parties</b>	<b>Amounts due to related parties</b>
		<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
<b>Sister Companies</b>					
Al-Jonah Sweets and	<b>2022</b>	<b>3,246,508</b>	<b>49,016</b>	<b>10,391,825</b>	<b>10,852,200</b>
Outside Catering Ltd	2021	2,443,750	911,614	8,482,038	10,803,185
Farah hall for parties	<b>2022</b>	<b>247,772</b>	-	-	<b>110,773</b>
	2021	1,073,245	-	-	358,545
<b>Total</b>	<b>2022</b>			<b>10,391,825</b>	<b>10,962,973</b>
	2021			8,482,038	11,161,730

Compensation of key management personnel comprise the following:

	<i><b>For the three- month period ended 31 March 2022</b></i>	<i><b>For the year ended 31 December 2021</b></i>
	<i><b>SR</b></i>	<i><b>SR</b></i>
Short term employee benefit	<b>763,130</b>	2,940,647
Termination benefit	<b>69,871</b>	179,994
	<b>833,001</b>	3,120,641

**8 LEASE LIABILITIES**

	<i><b>For the three- month period ended 31 March 2022</b></i>	<i><b>For the year ended 31 December 2021</b></i>
	<i><b>SR</b></i>	<i><b>SR</b></i>
Balance at the beginning of the period / year	<b>53,392,906</b>	76,039,662
Additions during the period / year	-	1,013,432
Interest due	<b>581,632</b>	2,836,118
Lease termination	<b>(122,573)</b>	(16,788,775)
Discounts from lessor	-	(160,228)
Paid	<b>(1,501,299)</b>	(9,547,303)
Balance at the ending of the period / year	<b>52,350,666</b>	53,392,906
Less: current portion of lease liabilities	<b>(6,043,868)</b>	(9,293,535)
Non-current portion	<b>46,306,798</b>	44,099,371

**RAYDAN FOOD COMPANY**

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED) (UNAUDITED)****FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022****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 finance charges related to this loan have been fully deducted in advance from the amount received. 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 31 March 2022 and 31 December 2021:

	<i>For the three- month period ended 31 March 2022</i>	<i>As at 31 December 2021</i>
	<i>SR</i>	<i>SR</i>
Long-term loan	21,915,007	23,415,007
Less: deferred finance costs	<b>(2,676,218)</b>	(3,096,269)
Net	<b>19,238,789</b>	20,318,738
Less: current portion	<b>(6,250,000)</b>	(6,000,000)
Non-current portion	<b>12,988,789</b>	14,318,738

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

	<i>For the three- month period ended 31 March 2022</i>	<i>As at 31 December 2021</i>
	<i>SR</i>	<i>SR</i>
Less than one year	6,250,000	6,000,000
From 2 to 5 years	12,988,789	14,318,738
More than 5 years	-	-
	<b>19,238,789</b>	20,318,738

**10 EMPLOYEE TERMINATION BENEFITS**

	<i>For the three- month period ended 31 March 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>SR</i>	<i>SR</i>
Balance at 1 January	15,438,313	16,429,734
Charge in profit or loss	387,905	1,590,356
Actuarial remeasurement charged to OCI	-	(92,725)
Payments for the period / year	<b>(447,942)</b>	(2,489,052)
Ending balance for the period / year	<b>15,378,276</b>	15,438,313

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED) (UNAUDITED)****FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022****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:

	<i>For the three- month period ended 31 March 2022</i>	<i>For the year ended 31 December 2021</i>
	<i>SR</i>	<i>SR</i>
Balance at 1 January	<b>209,866</b>	662,509
Charge for the period / year	-	470,971
Payments for the period / year	-	(923,614)
Ending balance for the period / year	<b>209,866</b>	209,866

**Outstanding assessments***Raydan Food Company*

The Company finalized its zakat assessments until 31 December 2020.

The company submitted its zakat returns for the years ending on December 31, since its incorporation until 31 December 2020, and zakat certificates were received for these years.

*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 2017, 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 BASIC AND DILUTED EARNINGS PER SHARE**

The loss per share was calculated from the net loss for the three month period ended 31 March 2022 and 2021 based on the number of shares outstanding at that date amounting to 33,750,000 million shares (2021: 22.5 million shares). The Group does not have diluted shares.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022****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:

**For the three-month period ended 31 March 2022:**

	<u>Traditional meals</u>	<u>Other segments</u>	<u>Total</u>
	SR	SR	SR
<b>Revenue</b>	<b>37,071,890</b>	<b>266,229</b>	<b>37,338,119</b>
<b>Cost of revenue</b>	<b>(34,974,427)</b>	-	<b>(34,974,427)</b>
<b>Administrative and selling expenses</b>	<b>(6,135,573)</b>	-	<b>(6,135,573)</b>
<b>Share of results in an associate</b>	-	<b>(687,847)</b>	<b>(687,847)</b>
<b>Others</b>	<b>(253,964)</b>	-	<b>(253,964)</b>
<b>Net loss for the period</b>	<b>(4,292,074)</b>	<b>(421,618)</b>	<b>(4,713,692)</b>
<b>As at 31 March 2022:</b>			
<b>Investment in an associate</b>	-	<b>60,534,294</b>	<b>60,534,294</b>
<b>Total assets</b>	<b>256,095,894</b>	<b>60,534,294</b>	<b>316,630,188</b>
<b>Total liabilities</b>	<b>113,510,020</b>	-	<b>113,510,020</b>

**For the three-month period ended 31 March 2021:**

	<u>Traditional meals</u>	<u>Other segments</u>	<u>Total</u>
	SR	SR	SR
<b>Revenue</b>	<b>32,394,290</b>	<b>479,426</b>	<b>32,873,716</b>
<b>Cost of revenue</b>	<b>(35,816,596)</b>	-	<b>(35,816,596)</b>
<b>Administrative and selling expenses</b>	<b>(5,395,095)</b>	-	<b>(5,395,095)</b>
<b>Share of result in associate</b>	-	<b>(370,218)</b>	-
<b>Others</b>	<b>(477,475)</b>	<b>(64,078)</b>	<b>(541,553)</b>
<b>Net loss</b>	<b>(9,294,876)</b>	<b>45,130</b>	<b>(9,249,746)</b>
<b>As at 31 December 2021:</b>			
<b>Investment in an associate</b>	-	<b>61,625,341</b>	<b>61,625,341</b>
<b>Total assets</b>	<b>263,214,273</b>	<b>61,625,341</b>	<b>324,839,614</b>
<b>Total liabilities</b>	<b>116,919,297</b>	-	<b>116,919,297</b>

**Geographical sectors:**

The Group operates mainly the western region of the Kingdom of Saud 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.

	<u>Western region</u>	<u>Other regions</u>	<u>Total</u>
	SR	SR	SR
<b>As at 31 March 2022, and for the three-month period then ended:</b>			
<b>Revenue</b>	<b>36,677,482</b>	<b>660,637</b>	<b>37,338,119</b>
<b>Property, plant and equipment</b>	<b>118,376,495</b>	<b>2,901,478</b>	<b>121,277,973</b>
<b>For the three-month period ended 31 March 2021</b>			
<b>Revenue</b>	<b>29,144,562</b>	<b>2,589,772</b>	<b>32,873,716</b>
<b>As at 31 December 2021</b>			
<b>Property, plant and equipment</b>	<b>124,807,648</b>	<b>2,971,564</b>	<b>127,779,212</b>

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022****14 RESTATEMENT OF COMPARATIVE FIGURES**

The comparative figures were adjusted as follows:

**A** 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 31 March 2021.

**B** The associate company submitted its financial statements for the period ending on 31 March 2021, at a date later than the date of issuing the group's condensed consolidated interim financial statements. And the financial statement shows an additional loss more than what was recognized for the three month period amounting to 370,218 Saudi riyals.

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>
	SR	SR	SR
Investment in an associate	67,541,602	(370,218)	<b>67,171,384</b>
Accumulated losses	(120,450,797)	(370,218)	<b>(120,821,015)</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>
	SR	SR	SR
Share of results in an associate	-	(370,218)	<b>(370,218)</b>
Loss for the period	(8,879,528)	(370,218)	<b>(9,249,746)</b>

**15 FAIR VALUE OF 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 DATE OF AUTHORIZATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were authorized for issue by the Company's board of directors on 22 Shawwal 1443H corresponding to 23 May 2022.