

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE -MONTH PERIOD ENDED 31 March 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 -MONTH PERIOD ENDED 31 March 2024**

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**PKF**

**Ibrahim Ahmed Al-Bassam  
& Co. Certified Public Accountants**

**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 31 March 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 periods then ended, and the 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 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" that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.

Ahmed A. Mohandis  
Certified Public Accountant  
License No. (477)

Jeddah: 8 Dhual-Qa'dah 1445H  
Corresponding to:16 May 2024



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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 31 March 2024**  
(Expressed in Saudi Arabian Riyals)

	<b>Note</b>	<b>31 March 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net	4	130,940,316	131,679,951
Intangible assets, net		27,638	34,799
Right-of-use assets, net	5	53,931,570	55,926,319
Investments in associate company through equity method, net	6	38,649,679	39,558,988
<b>Total non-current assets</b>		<b>223,549,203</b>	<b>227,200,057</b>
<b>Current assets</b>			
Inventories		7,762,433	5,844,348
Trade receivables, net	7	9,910,752	8,893,297
Due from a related party	13	2,397,033	2,947,258
Prepayments and other receivables	8	12,400,407	14,791,875
Cash and cash equivalents		4,012,374	6,585,363
<b>Total current Assets</b>		<b>36,482,999</b>	<b>39,062,141</b>
<b>Total Assets</b>		<b>260,032,202</b>	<b>266,262,198</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		158,084,670	158,084,670
Accumulated losses		(7,629,849)	(4,377,410)
Foreign currency translation reserve		259,856	350,685
<b>Total equity of the Company</b>		<b>150,714,677</b>	<b>154,057,945</b>
<b>Total Equity</b>		<b>150,714,677</b>	<b>154,057,945</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities - non-current portion	5	52,815,895	51,958,894
End of service benefits	10	10,117,397	10,956,265
<b>Total non-current liabilities</b>		<b>62,933,292</b>	<b>62,915,159</b>
<b>Current liabilities</b>			
Lease liabilities – current portion	5	6,955,378	10,361,073
Long-term loans – current portion	9	8,415,007	10,195,158
Trade payables		16,429,310	12,274,664
Accrued expenses and other payables		13,408,506	15,282,167
Provision for potential claims	12	159,905	159,905
Accrued zakat		1,016,127	1,016,127
<b>Total Current liabilities</b>		<b>46,384,233</b>	<b>49,289,094</b>
<b>Total Liabilities</b>		<b>109,317,525</b>	<b>112,204,253</b>
<b>Total Equity and Liabilities</b>		<b>260,032,202</b>	<b>266,262,198</b>


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.



**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 2024**  
(Expressed in Saudi Arabian Riyals)

	Note	For the three-month period ended 31 March	
		2024 (Unaudited)	2023 (Unaudited)
Revenue		42,571,476	41,802,878
Cost of revenue		(38,494,894)	(41,418,072)
<b>Gross profit</b>		<b>4,076,582</b>	<b>384,806</b>
Selling and marketing expenses		(2,193,845)	(1,968,116)
General and Administrative expenses		(3,788,557)	(4,879,386)
Reversal / Impairment loss on right of use assets		--	916,789
Profit from disposal of property, plant and equipment		--	327,846
Other income, net		772,364	4,353,262
<b>Operation loss</b>		<b>(1,133,456)</b>	<b>(864,799)</b>
Share from investment in associate company	6/3	(909,309)	(1,076,111)
Through equity method		(1,076,850)	(971,028)
Finance costs		(132,824)	(112,088)
Currency valuation differences		--	--
<b>Net Loss before zakat and income tax</b>		<b>(3,252,439)</b>	<b>(3,024,026)</b>
Zakat and Income Tax	12	--	(232,906)
<b>Net loss after zakat and income tax</b>		<b>(3,252,439)</b>	<b>(3,256,932)</b>
<b>Other comprehensive income (OCI):</b>			
<b>Items that may be reclassified to profit or loss subsequently</b>			
Exchange differences on translation of foreign operations		(90,829)	(65,810)
<b>Total Other comprehensive loss</b>		<b>(90,829)</b>	<b>(65,810)</b>
<b>Total comprehensive loss</b>		<b>(3,343,268)</b>	<b>(3,322,742)</b>
<b>Attributable to:</b>			
- The Parent Company's shareholders		(3,252,439)	(3,256,048)
- Non-controlling interests		--	(884)
		<b>(3,252,439)</b>	<b>(3,256,932)</b>
<b>Attributable to:</b>			
- The Parent Company's shareholders		(3,343,268)	(3,321,200)
- Non-controlling interests		--	(1,542)
<b>Total comprehensive loss</b>		<b>(3,343,268)</b>	<b>(3,322,742)</b>
<b>Basic losses per share:</b>			
Basic	11	(0,21)	(0,21)

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Vice Chairman  
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**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 2024**  
(Expressed in Saudi Arabian Riyals)

	Equity attributable to the shareholders of the parent Company						
	Share capital	Statutory reserve	Accumulated losses	Foreign currency translation Reserve	Total equity of the Group	Non-controlling interests	Total equity
<b>For the three-month period ended at 31 March 2024</b>							
As at 1 Jan 2024 (Audited)	158,084,670	--	(4,377,410)	350,685	154,057,945	--	154,057,945
Loss for the period	--	--	(3,252,439)	--	(3,252,439)	--	(3,252,439)
Other comprehensive losses	--	--	--	(90,829)	(90,829)	--	(90,829)
Total comprehensive losses	--	--	(3,252,439)	(90,829)	(3,343,268)	--	(3,343,268)
As at 31 March 2024 (Unaudited)	158,084,670	--	(7,629,849)	259,856	150,714,677	--	150,714,677
<b>For the three-month period ended at 31 March 2023</b>							
As at 1 Jan 2023 (Audited)	158,084,670	27,413,798	(927,380)	419,407	184,990,495	3,452	184,993,947
Loss for the period	--	--	(3,256,048)	--	(3,256,048)	(884)	(3,256,932)
Other comprehensive loss	--	--	--	(65,152)	(65,152)	(658)	(65,810)
Total comprehensive loss	--	--	(3,256,048)	(65,152)	(3,321,200)	(1,542)	(3,322,742)
As at 31 March 2023 (Unaudited)	158,084,670	27,413,798	(4,183,428)	354,255	181,669,295	1,910	181,671,205

\* Based on the decision of the Extraordinary General Assembly held on October 10, 2023, the company's statutory reserve balance, amounting to 27,413,798 SR, as in the financial statements for the year ending December 31, 2022, was transferred to an accumulated losses account.

Chief Financial Officer  
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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE -MONTH PERIOD ENDED 31 March 2024**  
(Expressed in Saudi Arabian Riyals)

	Note	For the three-month period ended 31 March	
		2024 (Unaudited)	2023 (Unaudited)
<b>Operating activities</b>			
Net loss before zakat and income tax		(3,252,439)	(3,024,026)
<b>Adjustments for non-cash items:</b>			
Depreciation of property, plant and equipment	4/1	2,406,454	2,110,533
Depreciation of right of use assets	5/1	1,994,749	1,132,525
Amortization of intangible assets		7,161	38,206
Finance cost		1,076,850	971,028
Gain from disposal right-to-use assets		--	(916,789)
Share from investment in company through equity method	6/3	909,309	1,076,111
Employee termination benefits		366,522	472,731
Charge of Expected credit losses		68,438	38,769
		<b>3,577,044</b>	<b>1,899,088</b>
<b>Changes in working capital</b>			
Inventory		(1,918,085)	(764,315)
Trade receivables		(1,017,455)	(2,476,337)
Due from a related party		550,225	2,514,283
Prepayments and other receivables		2,391,468	(6,731,563)
Accrued expenses and other payables		(1,813,079)	2,685,355
Trade payable		4,154,646	5,381,191
Due to a related party		--	(2,591,151)
<b>Cash flow from operating activities</b>		<b>5,924,764</b>	<b>(83,449)</b>
Employee termination benefits paid	15	(1,205,390)	(645,657)
<b>Net cash flow generated from / (used in) operating activities</b>		<b>4,719,374</b>	<b>(729,106)</b>
<b>Investing activities</b>			
Addition of property, plant and equipment	4/1	(1,666,819)	(7,099,456)
Addition of intangible assets		--	(9,900)
<b>Net cash flow used in investing activities</b>		<b>(1,666,819)</b>	<b>(7,109,356)</b>
<b>Financing activities</b>			
Payment of loan	9/3	(2,000,000)	(1,750,000)
Payment of lease liabilities		(3,405,695)	(1,528,898)
Payment of finance cost		(219,849)	(359,544)
<b>Net cash used in financing activities</b>		<b>(5,625,544)</b>	<b>(3,638,442)</b>
<b>Net change in cash and cash equivalents</b>		<b>(2,572,989)</b>	<b>(11,476,904)</b>
Cash and cash equivalents at the beginning of the period		6,585,363	27,465,154
<b>Cash and cash equivalents at the end of the period</b>		<b>4,012,374</b>	<b>15,988,250</b>
<b>Non-cash transactions</b>			
<u>The following non-cash transactions are excluded:</u>			
Addition of right of use assets		--	3,811,188
Lease liabilities		--	(3,811,188)
Financing cost		857,001	611,484
Financing cost unpaid		(857,001)	(611,484)

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**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 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.

On 2 May 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 offering and capital increase process was completed on 25 August 2021.

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, which amounted to SR 179,415,330, with 53.16% of the Company's capital.

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>Branch CR number</u>	<u>Location</u>	<u>Date</u>
4030212391	Jeddah	8 Jumada Al-Thani 1432H
4030212394	Jeddah	8 Jumada Al-Thani 1432H
4030212441	Jeddah	11 Jumada Al-Thani 1432H
4030212445	Jeddah	11 Jumada Al-Thani 1432H
4030212448	Jeddah	11 Jumada Al-Thani 1432H
4030212449	Jeddah	11 Jumada Al-Thani 1432H
4030212451	Jeddah	11 Jumada Al-Thani 1432H
4030263433	Jeddah	14 Rabi` Al-Awwal 1435H
4030263437	Jeddah	14 Rabi` Al-Awwal 1435H
4030279638	Jeddah	7 Rabi` Al-Awwal 1436H
4030280791	Jeddah	11 Jumada Al-Awwal 1436H
4031098223	Mecca	6 Rabi Al-Awwal 1438H
4031212516	Mecca	3 Jumada Al-Thani 1439H
4603149025	Alqunfatha	13 Shaban1440H
4650083053	Al Madinah Almonawra	25Muharrm1439H
4031283146	Mecca	24 Thu al-Qa'dah 1444H



**RAYDAN FOOD COMPANY**  
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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**FOR THE THREE -MONTH PERIOD ENDED 31 March 2024**  
(Expressed in Saudi Arabian Riyals)

**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>2024</u>	<u>2023</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 Raydan Egypt Kitchens and Restaurants Company's branches in the Arab Republic of Egypt.

\*The second partner in the subsidiary company, Mr. Mansour bin Awadallah bin Ahmed Al-Sulami, decided to relinquish his entire share in the company's capital, amounting to 1%, in favor of the first partner, Raydan Food Company - a Saudi joint stock company - who owns 99% of the capital. The company's capital became 100% fully owned by Raydan Food Company - a Saudi joint stock company. An extraordinary general assembly meeting was held on 25 October, 2023, to approve the waiver, and the company's articles of incorporation and commercial registry 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-month period ending 31 March 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**FOR THE THREE- MONTH PERIOD ENDED 31 March 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) (CONTINUED)  
FOR THE THREE- MONTH PERIOD ENDED 31 March 2024**  
(Expressed in Saudi Arabian Riyals)

**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.:

**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:

<b><u>Amendments to standards</u></b>	<b><u>Description</u></b>	<b><u>Effective from accounting period beginning on or after</u></b>	<b><u>Summary of amendment</u></b>
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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**FOR THE THREE- MONTH PERIOD ENDED 31 March 2024**  
(Expressed in Saudi Arabian Riyals)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3/2 New and amended IFRS standards issued (Continued)**

The Company has not applied the following new amendments to IFRS that have been issued but are not yet effective.

<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.

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

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

	<u>31 March 2024</u> <u>(Unaudited)</u>	<u>31 December 2023</u> <u>(Audited)</u>
<b><u>Cost:</u></b>		
Balance at the beginning of the period / Year	243,283,219	234,991,842
Addition during the period / Year	1,666,819	13,158,499
Disposal during the period / Year	(19,081)	(4,867,122)
Balance at the end of the period / Year	<u>244,930,957</u>	<u>243,283,219</u>
<b><u>Accumulated amortization:</u></b>		
Balance at the beginning of the period / Year	102,031,241	94,141,759
Charge during the period / Year	2,406,454	11,046,170
Disposal during the period / Year	(19,081)	(3,156,688)
Balance at the end of the period / Year	<u>104,418,614</u>	<u>102,031,241</u>
<b><u>Provision for impairment:</u></b>		
Balance at the beginning of the period/year	9,572,027	9,572,027
Balance at the end pf the period / year	<u>9,572,072</u>	<u>9,572,027</u>
<b>Net book values for the period / Year</b>	<u><b>130,940,316</b></u>	<u><b>131,679,951</b></u>

**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 of 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)

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

4/4 Depreciation for the period/ year, has been allocated as follows:

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 March 2023 <b>(Unaudited)</b>
Cost of Sales	<u>2,222,710</u>	1,949,384
Administrative expenses	<u>183,744</u>	161,149
	<u><b>2,406,454</b></u>	<u>2,110,533</u>

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

5/1 Movement of right of use assets, Net

	<b>31 March 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	--	19,372,815
Balance at the end of the period / Year	<u><b>76,758,261</b></u>	<u>76,758,261</u>
<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>1,994,749</b>	6,134,639
Balance at the end of the period / Year	<u><b>20,686,984</b></u>	<u>18,692,235</u>
<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
Charge during the period / Year	--	2,139,707
Reversal of Impairment during the period / Year*	--	(11,496,639)
Balance at the end of the period / Year	<u><b>2,139,707</b></u>	<u>2,139,707</u>
<b>Net book values of the period/ year</b>	<u><b>53,931,570</b></u>	<u>55,926,319</u>

The company rents warehouses and branch locations, with lease terms ranging from 3 to 20 years.

\* As of 31 December ,2023 management evaluated the decrease in the right to use assets of the company's branches through an external evaluator approved by the Saudi Authority of Evaluators, "Sadaqa Certified Public Accountants and Consultants," license No. 3912000017. The evaluation was made by considering the company's branches as cash-generating units. Management considered the results of the branches' operations. The company for the current year and the results of previous periods are an indicator of impairment. Accordingly, it conducted a detailed assessment of impairment as of 31 December, 2023. Based on those assessments, each branch was considered a cash-generating unit, and the recoverable value was estimated based on the business plans approved by the Board of Directors. Management, which reflects management's view of market conditions, and some key assumptions and judgments were used, such as estimating appropriate growth and discount rates.

Moreover, management concluded that the recoverable value of some cash generating units was higher than their book value, and therefore the impairment losses recorded during previous periods were reversed.

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

**5/2 Movement of lease liability, Net:**

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(audited)</b>
Balance at the beginning of the period / Year	<b>62,319,967</b>	49,322,536
Additions during the period / year	--	19,372,815
Interest change during the period / year	<b>857,001</b>	2,995,808
Paid during the year	<b>(3,405,695)</b>	(7,550,125)
Transferred to accrued expenses and other payables	--	(1,821,067)
Balance at end of period/ year	<b>59,771,273</b>	62,319,967

**5/3 Below are the lease liabilities as classified in the statement of financial position**

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(audited)</b>
Current liability	<b>6,955,378</b>	10,361,073
Non-current liability	<b>52,815,895</b>	51,958,894
	<b>59,771,273</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 lease contracts for the period ending on 31 March 2024 amounted to 616,513 SR (31 March 2023: 469,026 SR) and there are no commitments related to those contracts. These amounts were recorded as operating leases and were not included with the right-of-use assets

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

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(audited)</b>
During year	<b>6,955,378</b>	10,361,073
From 1 to 5 years	<b>55,906,299</b>	53,411,234
More than 5 years	<b>30,975,417</b>	30,975,417
	<b>93,837,093</b>	94,747,723

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**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 31 March 2024 amounted to 30% (31 December 2023: 30%), and the investment movement was as follows:

	<b>Notes</b>	<b>31 March 2024</b> <b>(Unaudited)</b>	<b>31 December 2023</b> <b>(audited)</b>
<b><u>Investment cost</u></b>			
Share in capital (1)		<b>14,850,000</b>	14,850,000
<b>Addition:</b>			
Good Will	6/4	<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	6/2	<b>(909,309)</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>(2,437,068)</b>	(1,527,759)
Share of the parent company 30% (1+2)	6/3	<b>12,412,932</b>	13,322,241
Deduct			
Impairment in Investment		<b>(15,687,536)</b>	(15,687,536)
<b>Balance of the investment in an associate company through equity method</b>		<b>38,649,679</b>	39,558,988

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>31 March 2024</b> <b>(Unaudited)</b>	<b>31 December 2023</b> <b>(Audited)</b>
Current assets	<b>25,766,911</b>	19,038,837
Non-current assets	<b>95,657,202</b>	96,374,036
Current liability	<b>(57,733,687)</b>	(49,449,576)
Non-current liability	<b>(22,313,986)</b>	(21,555,827)
Total equity	<b>41,376,440</b>	44,407,470
Company's share 30%	<b>12,412,932</b>	13,322,241

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

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

	<b>31 March 2024</b> <b>(Unaudited)</b>	<b>31 December 2023</b> <b>(Audited)</b>
Sales	<b>13,546,850</b>	74,974,783
Cost of sales	<b>(9,656,391)</b>	(47,078,005)
Operating expenses	<b>(7,426,814)</b>	(33,368,601)
Non-operating income/ losses	<b>505,325</b>	(1,171,660)
loss for the period / year	<b>(3,031,030)</b>	(6,643,483)
Company's share 30%	<b>(909,309)</b>	(1,993,045)

**6/4 Impairment in Investment**

At the date of 31 December 2023, management evaluated the decline in the goodwill established for the 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 a decline in the value of the investment in the associate company, it was evaluated Investment in the associate company (AL Jonah sweet and outside catering limited) as of 31 December,2023 through a local evaluator approved 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%

**7. TRADE RECEIVABLES, NET**

	<b>Note</b>	<b>31 March 2024</b> <b>(Unaudited)</b>	<b>31 December 2023</b> <b>(Audited)</b>
Trade receivables		<b>10,499,339</b>	9,413,446
Expected credit losses	7/1	<b>(588,587)</b>	(520,149)
		<b>9,910,752</b>	8,893,297

**7.1 Movement of expected credit loss of the period/ year ended:**

	<b>31 March 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>68,438</b>	73,247
<b>Balance at the end of the period / Year</b>	<b>588,587</b>	520,149

The following is an analysis of the aging of trade receivables as at end of the period/ year:

Duration	<b>31 March 2024 (Unaudited)</b>		<b>31 December 2023(Audited)</b>	
	<b>Balance</b>	<b>Impairment In value</b>	<b>Balance</b>	<b>Impairment In value</b>
Not due	<b>6,166,241</b>	<b>9,392</b>	5,442,942	111,922
From 1 to 60 days	<b>593,631</b>	<b>35,840</b>	3,737,673	273,630
From 61 to 120 days	<b>3,562,796</b>	<b>485,265</b>	94,887	21,481
Over 120 Days	<b>176,671</b>	<b>58,090</b>	137,944	113,116
	<b>10,499,339</b>	<b>588,587</b>	9,413,446	520,149



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**7. TRADE RECEIVABLES, NET (CONTINUED)**

- The credit periods granted to customers range from 30-365 days and are classified according to their age after considering the impact of those periods.
- Subsequent collections from trade receivables amounted to SAR 4 million at 31 March 2024 (31 December 2023 3,1 SAR million), which were excluded from trade receivables when calculating losses. The expected credit balance, so that the balance of net receivables subject to calculation becomes 6,5 million SR (31 December 2023 5,3 million SR), classified according to their age.

**8. PREPAYMENTS AND OTHER RECEIVABLES**

**The prepayments and other receivables Include**

- It represents the value of the lands and buildings (Kilo 14 Branch) expropriated by government agencies for the work of developing slum areas in the city of 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 in December 31, 2022 from a certified valuer who holds an expropriation certificate from the Saudi Authority for Certified Valuers, Saber Real Estate Valuation - License No. 1210000589.
- During the period ending on March 31, 2024, a bank check No.: 9552855 issued by the Ministry of Finance, by value is 3,672,270 Saudi riyals Is issued on December 28, 2023, was obtained. It includes the value of compensation for the land of the Sixtieth Branch (expropriated), and the check was deposited in the company's bank account on February 5, 2024.
- The land deed for the Kilo 14 branch (Al-Ain Al-Azizia area), owned by the parent company, is still in effect according to the sale and payment of the price in the name of the previous owner.

**9. LOANS**

The Company 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. To paid amount in quarterly installments ending on 15 October, 2024.

During 2020, the company reached an agreement to reschedule the loan installments, which resulted in additional financing costs of SR 3,216,731, to be paid during the new loan period, which will end on 15 October 2024.

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

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Long- term loan	<b>8,415,007</b>	10,415,007
deferred finance cost	--	(219,849)
	<b>8,415,007</b>	<b>10,195,158</b>

**Current and non-current loans and facilities:**

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
current portion	<b>8,415,007</b>	10,195,158
	<b>8,415,007</b>	<b>10,195,158</b>

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**9. LOANS (CONTINUED)**

**9/2 Bank loans according to financing entities:**

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Yanal Finance Company (formerly Saudi ORIX)	<u>8,415,007</u>	<u>10,195,158</u>
	<u><b>8,415,007</b></u>	<u>10,195,158</u>

**9/3 Movement in Loans:**

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Balance at the beginning of the period / Year	<u>10,195,158</u>	<u>15,756,948</u>
Interest charge during the period / year	<u>219,849</u>	<u>1,438,210</u>
Payments during the period / year	<u>(2,000,000)</u>	<u>(7,000,000)</u>
<b>Balance as at the end of the period/ year</b>	<u><b>8,415,007</b></u>	<u>10,195,158</u>

The maturity schedule for the long-term financing is as follows at the ending period / year:

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
2024	<u>8,415,007</u>	<u>10,195,158</u>
	<u><b>8,415,007</b></u>	<u>10,195,158</u>

**10. EMPLOYEE TERMINATION BENEFITS**

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023(Audited)
Balance at the beginning of the period / Year	<u>10,956,265</u>	<u>12,360,015</u>
<b>Charged to profit or loss</b>		
Current service cost during the period / year	<u>366,522</u>	<u>1,310,709</u>
Interest cost during the period / year	<u>--</u>	<u>587,982</u>
	<u><b>366,522</b></u>	<u>1,898,691</u>
<b>And other comprehensive income</b>		
re-measurement (Gain)	<u>--</u>	<u>(145,833)</u>
Paid during the period /year	<u>(1,205,390)</u>	<u>(3,156,608)</u>
<b>Balance at the end of the period / Year</b>	<u><b>10,117,397</b></u>	<u>10,956,265</u>

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**11. BASIC LOSS PER SHARE**

The loss per share was calculated from the net loss for the period ending 31 March 2024, based on the average number of shares outstanding on that date, amounting to 15,808,467 shares (31 March,2023: 15,808,467 million shares).

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 March 2023 (Unaudited)
Net loss attributable to the shareholders of the company	<b>(3,252,439)</b>	(3,256,048)
Weighted average number of common shares	<b>15,808,467</b>	15,808,467
Loss basic per share (EPS) from continuing operations	<b>(0,21)</b>	(0,21)

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.

**12. ZAKAT AND INCOME TAX**

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

	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023 (Audited)
Balance at the beginning of the period / Year	<b>1,016,127</b>	931,627
Charge during the period / year	--	269,366
Paid during period / year	--	(184,866)
<b>Balance at the end of the period / Year</b>	<b>1,016,127</b>	1,016,127

**Zakat position and tax**

**Raydan Food Company**

The company submitted its zakat returns for the years ending on 31 December from inception until 31 December 2023, and zakat certificates were received for these years.

**The tax status of Raydan Food Company**

Value added tax returns were submitted on a monthly basis from January 2018 to March 2024.

**Raydan Kitchens and Restaurants Company Egypt**

**Capital Companies Tax: -**

- The company was notified of an estimated Form 19 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 on Form (3/4) to prepare examination documents for the years from 2018 to 2020.
- The tax return was submitted for the year ending in 2023, on the legal date.

**Value Added Tax: -**

- The company's tax examination was carried out from the beginning of the activity until 2018, and the company paid the tax examination differences.
- The company did not receive any notifications for the years from 2019 to 2023.

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

**Payroll tax: -**

The competent tax office has notified the company with an estimated form (38) for the years since the beginning of the activity, until 2016, and it was objected to within the legal dates, and a request for re-examination will be submitted.

**Withholding and collection tax: -**

The company supplies the amounts that are deducted from the dealing parties to the tax authority on the legal dates.

**Stamp tax: -**

The company has not been examined until the date of the Interim Condensed consolidated financial statements

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**13. RELATED PARTIES DISCLOSURES**

**13/1 Transaction with related parties**

The following table illustrated the total of significant transactions with the related parties during the period/ year and related balance as at 31 March 2024 and 31 December.2023:

<u><b>Due from related parties</b></u>	<u><b>Name of Related party</b></u>	<u><b>Type of relationship</b></u>	<u><b>Nature of transaction</b></u>	<u><b>Transaction volume</b></u>		<u><b>Balance as in</b></u>	
				<u><b>2024</b></u>	<u><b>2023</b></u>	<u><b>31 March 2024 (Unaudited)</b></u>	<u><b>31 December 2023 (Audited)</b></u>
	Al-Jonah Sweets and Outside Catering Ltd	Associate company	Sales / purchases	<b>1,846,341</b>	8,990,552	<b>2,397,033</b>	2,947,258
						<b>2,397,033</b>	2,947,258

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:

	<u><b>nature of transaction</b></u>	<u><b>The Three-month period ended</b></u>	
		<u><b>31 March 2024 (Unaudited)</b></u>	<u><b>31 March 2023 (Unaudited)</b></u>
Board & Key senior management employees	Board members' remuneration	<b>946,328</b>	1,117,531
	Salaries and allowances	<b>615,063</b>	598,303
	Employee benefit obligations	<b>41,775</b>	39,765
		<b>1,603,166</b>	1,755,599

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**14. BUSINESS SEGMENTS**

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 sectors as at and for the three-month period on 31 March 2024 and 2023, which are summarized according to the business segments mentioned above:

<b>31 March 2024 (Unaudited)</b>	<b>Sector reports</b>			<b>Total</b>
	<b>Traditional meals</b>	<b>Catering Services</b>	<b>Other segments</b>	
Revenue	<b>40,051,882</b>	<b>2,174,795</b>	<b>344,799</b>	<b>42,571,476</b>
Cost of revenue	<b>(43,340,496)</b>	<b>(1,574,110)</b>	<b>(909,309)</b>	<b>(45,823,915)</b>
Net (loss)/ profit of the sector	<b>(3,288,614)</b>	<b>600,685</b>	<b>(564,510)</b>	<b>(3,252,439)</b>
<b>Sector assets</b>	<b>198,722,793</b>	<b>6,894,044</b>	<b>54,415,365</b>	<b>260,032,202</b>
<b>Sector liabilities</b>	<b>106,992,622</b>	<b>2,324,903</b>	<b>--</b>	<b>109,317,525</b>

<b>31 March 2023 (Unaudited)</b>	<b>Sector reports</b>			<b>Total</b>
	<b>Traditional meals</b>	<b>Catering Services</b>	<b>Other segments</b>	
Revenue	38,677,468	2,516,979	608,431	41,802,878
Cost of revenue	(41,727,584)	(2,256,115)	(1,076,111)	(45,059,810)
Net loss/ profit of the sector	(3,050,116)	260,864	(467,680)	(3,256,932)
<b>Sector assets</b>	<b>220,890,455</b>	<b>6,126,699</b>	<b>57,363,516</b>	<b>284,380,670</b>
<b>Sector liabilities</b>	<b>100,510,262</b>	<b>2,199,203</b>	<b>--</b>	<b>102,709,465</b>

**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. The group's revenues from its activity in the Western Region amounted to 100% of sales for the three-month period ending on March 31, 2024 (March 31, 2023: 99% of sales for the period)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**FOR THE THREE- MONTH PERIOD ENDED 31 March 2024**  
(Expressed in Saudi Arabian Riyals)

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**15. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS**

**15/1- MEASURING THE FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

**15/2- FAINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks, credit risk, liquidity risk, market price risk, currency risk and the risk of change in interest rates.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Company has developed a formal approval process whereby credit limits are applied to its customers, which are based on comprehensive customer ratings and past repayment rates.

**Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available. The concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is the contractual maturities for financial liabilities at the end of the period, which are presented in gross and undiscounted amounts.

**Market price risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: Interest rate risk, currency risk and other price risk.

**Foreign currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to fluctuations in foreign exchange rates. The Company is not significantly exposed to fluctuations in foreign exchange rates during its normal course of business, as the Company's core transactions during the period were denominated in Saudi Riyals and US Dollars. Thus, there are no significant risks associated with transactions and balances denominated in US Dollars

**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 for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

**16. FINANCIAL INSTRUMENTS**

The company's financial assets consist of cash and cash equivalents, liabilities from related parties, and trade receivables, and its financial liabilities consist of trade creditors, liabilities to related parties, and a long-term loan. The fair values of financial instruments do not differ materially from their book value. As at 31 March, 2024 and 31 December, 2023, the Company did not hold any financial instruments measured at fair value.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED) (CONTINUED)**  
**FOR THE THREE- MONTH PERIOD ENDED 31 March 2024**  
(Expressed in Saudi Arabian Riyals)

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**17. SUBSEQUENT EVENTS**

Management believes that there are no significant subsequent events since the end of the period that may affect the group's financial position or the disclosures in the interim condensed consolidated financial statements.

**18. COMPARATIVE FIGURES**

Certain comparative period figures have been reclassified to conform to the presentation for during period figures.

**19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were approved by the Board of Directors on 6 Dhual-Qa'dah. 1445H corresponding to 14 May 2024G.