

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

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

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**

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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 2023, and its subsidiary (hereinafter referred to as the "Group"), and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three and nine-month periods then ended, and the related interim condensed consolidated statements of changes in Shareholders' equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and 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 International Standard on Review Engagement 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 interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standards (34) that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.

Ahmed A. Mohandis  
Certified Public Accountant  
License No. (477)  
Jeddah: 30 Rabi Al-Akhar 1445H  
Corresponding to: 14 November 2023G





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

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

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net	4	135,471,867	131,278,056
Intangible assets, net		74,271	127,569
Right-of-use assets, net	5	38,652,695	33,331,211
Investments in associate company through equity method	6	58,213,238	57,363,516
<b>Total non-current assets</b>		<b>232,412,071</b>	<b>222,100,352</b>
<b>Current assets</b>			
Inventories, net		6,198,600	4,314,848
Trade receivables, net	7	18,402,219	5,883,593
Due from a related party	9	3,426,572	5,820,105
Prepayments and other receivables	8	18,585,874	15,374,401
Cash and cash equivalents		9,182,530	27,465,154
<b>Total current Assets</b>		<b>55,795,795</b>	<b>58,858,101</b>
<b>Total Assets</b>		<b>288,207,866</b>	<b>280,958,453</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' Equity</b>			
Share capital	1	158,084,670	158,084,670
Statutory reserve	17	27,413,798	27,413,798
Accumulated losses		(5,274,725)	(927,380)
Foreign currency translation reserve		351,869	419,407
<b>Total Shareholders' equity of the Company</b>		<b>180,575,612</b>	<b>184,990,495</b>
Non-controlling interests		2,376	3,452
<b>Total Shareholders' Equity</b>		<b>180,577,988</b>	<b>184,993,947</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities - non-current portion	10	51,708,366	43,125,350
Long term loans - non-current portion	11	-	8,756,948
End of service benefits	12	11,876,296	12,360,015
<b>Total non-current liabilities</b>		<b>63,584,662</b>	<b>64,242,313</b>
<b>Current liabilities</b>			
Lease liabilities – current portion	10	1,246,753	6,197,186
Long-term loans – current portion	11	11,585,606	7,000,000
Trade payables		17,538,412	8,646,384
Due to a related party	9	-	2,591,151
Accrued expenses and other payables		12,372,998	6,043,337
Provision for potential claims		285,320	312,508
Accrued zakat	13	1,016,127	931,627
<b>Total Current liabilities</b>		<b>44,045,216</b>	<b>31,722,193</b>
<b>Total Liabilities</b>		<b>107,629,878</b>	<b>95,964,506</b>
<b>Total Shareholders' Equity and Liabilities</b>		<b>288,207,866</b>	<b>280,958,453</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- AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**  
(Expressed in Saudi Arabian Riyals)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Revenue		41,089,535	43,649,928	144,164,734	124,036,176
Cost of revenue		(38,669,842)	(38,190,741)	(133,544,182)	(113,669,096)
<b>Gross profit</b>		<b>2,419,693</b>	<b>5,459,187</b>	<b>10,620,552</b>	<b>10,367,080</b>
Selling and marketing expenses		(2,470,219)	(915,689)	(6,235,141)	(2,573,913)
General and Administrative expenses		(4,268,970)	(4,021,770)	(13,674,540)	(17,651,450)
Capital gains – lease settlements		-	-	-	3,940
Reversal / Impairment loss on right of use assets		-	-	1,624,318	-
Profit/ (Losses) from disposal of property, plant and equipment		21,556	2,517,236	367,401	(6,039,037)
Other operating income		583,235	653,311	5,512,054	2,052,117
<b>Operation income loss</b>		<b>(3,714,705)</b>	<b>3,692,275</b>	<b>(1,785,356)</b>	<b>(13,841,263)</b>
Share from investment in associate company Through equity method	6	(625,181)	(1,805,385)	849,722	(3,638,488)
Currency valuation differences		(1,933)	(48,961)	(111,478)	(145,334)
Finance Costs		(1,003,430)	(895,571)	(3,031,261)	(2,897,389)
<b>Net Loss before zakat and income tax</b>		<b>(5,345,249)</b>	<b>942,358</b>	<b>(4,078,373)</b>	<b>(20,522,474)</b>
Zakat and Income Tax	13	-	(30,500)	(269,366)	(476,056)
<b>Net loss after zakat and income tax</b>		<b>(5,345,249)</b>	<b>911,858</b>	<b>(4,347,739)</b>	<b>(20,998,530)</b>
<b>Other comprehensive income (OCI):</b>					
<b>OCI that may be reclassified to profit or loss subsequently:</b>					
Exchange differences on translation of foreign operations		(547)	282	(68,220)	(89,922)
<b>Total Other comprehensive loss</b>		<b>(547)</b>	<b>282</b>	<b>(68,220)</b>	<b>(89,922)</b>
<b>Total comprehensive loss</b>		<b>(5,345,796)</b>	<b>912,140</b>	<b>(4,415,959)</b>	<b>(21,088,452)</b>
<b>Attributable to:</b>					
- The group's shareholders		(5,345,483)	912,017	(4,347,345)	(20,999,206)
- Non-controlling interests		234	(159)	(394)	676
<b>Net loss after zakat and income tax</b>		<b>(5,345,249)</b>	<b>911,858</b>	<b>(4,347,739)</b>	<b>(20,998,530)</b>
<b>Attributable to:</b>					
- The Parent Company's shareholders		(5,346,024)	912,300	(4,414,883)	(21,089,128)
- Non-controlling interests		228	(160)	(1,076)	676
<b>Total comprehensive loss</b>		<b>(5,345,796)</b>	<b>912,140</b>	<b>(4,415,959)</b>	<b>(21,088,452)</b>
<b>Basic and diluted losses per share:</b>					
Basic		(0.34)	0.03	(0.28)	(0.62)
Diluted	14	(0.34)	0.03	(0.28)	(0.62)

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 CASH FLOWS (UNAUDITED)  
FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**

(Expressed in Saudi Arabian Riyals)

	For the nine-month period ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)
<b>Operating activities</b>		
Net loss before zakat and income tax	(4,078,373)	(20,522,474)
<b>Adjustments for non-cash items:</b>		
Depreciation of property, plant and equipment	6,983,514	6,652,839
Depreciation of right of use assets	3,663,247	3,121,960
Reverse impairment of right-to-use assets	(1,624,318)	-
Amortization of intangible assets	63,199	114,859
Finance cost	3,031,261	2,897,389
Expected credit losses	498,113	-
(Profit)/ Losses from disposal property, plant and equipment	(367,401)	6,039,037
Losses from disposal right-to-use assets	-	126,900
Share from investment in company by shareholders' equity	(849,722)	3,638,488
Employee termination benefits	1,405,679	1,074,396
	<b>8,725,199</b>	<b>3,143,394</b>
<b>Changes in working capital</b>		
Inventory	(1,883,752)	(7,082)
Trade receivables	(13,016,739)	(1,170,699)
Due from a related party	2,394,380	(1,266,369)
Prepayments and other receivables	(3,211,473)	1,706,387
Assets held for sale	-	3,200,000
Trade payable	9,199,937	(2,343,482)
Accrued expenses and other payables	6,329,661	-
Due to a related party	(2,591,151)	(5,534,830)
<b>Cash flow generated from / (used in) operating activities</b>	<b>5,946,062</b>	<b>(2,272,681)</b>
Employee termination benefits paid	(1,889,398)	(3,551,478)
Zakat and income tax paid	(184,866)	(209,866)
<b>Net cash flow generated from / (used in) operating activities</b>	<b>3,871,798</b>	<b>(6,034,025)</b>
<b>Investing activities</b>		
Addition of property, plant and equipment	(11,776,766)	(15,725,955)
Proceeds from sale of property, plant and equipment	620,997	4,162,466
Addition of intangible assets	-	(232,649)
<b>Net cash flow used in investing activities</b>	<b>(11,155,769)</b>	<b>(11,796,138)</b>
<b>Financing activities</b>		
Payment of loan	(5,250,000)	(4,500,000)
Payment of lease liabilities	(5,680,433)	(8,768,555)
<b>Net cash used in financing activities</b>	<b>(10,930,433)</b>	<b>(13,268,555)</b>
<b>Net change in cash and cash equivalents</b>	<b>(18,214,404)</b>	<b>(31,098,718)</b>
Cash and cash equivalents at the beginning of the period	27,465,154	76,188,384
Foreign currency translation impact on cash and cash equivalent	(68,220)	(89,922)
<b>Cash and cash equivalents at the end of the period</b>	<b>9,182,530</b>	<b>44,999,744</b>



RAYDAN FOOD COMPANY  
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)(CONTINUED)**  
**FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**  
(Expressed in Saudi Arabian Riyals)

	For the nine-month period ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)
<b>Non-cash transactions</b>		
The following non-cash transactions are excluded:		
Addition of right of use assets	(7,360,413)	-
Lease liabilities	7,360,413	-
Other income	27,188	-
property, plant and equipment	345,845	8,289,464
Intangible assets	9,900	-
Amortization of deferred financing costs	1,078,658	1,139,158
Due from / to related party	-	403,200

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



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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**  
(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 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.

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 write-off the amount of accumulated losses until 30 June 2022, 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 Company also has franchise branches by granting the trademark to franchise agents inside and outside the Kingdom of Saudi Arabia.

The interim condensed consolidated financial statements include the accounts of the Company and its Subsidiary (hereinafter referred to as (the "Group")) as follows:

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**

(Expressed in Saudi Arabian Riyals)

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**2. BASIS OF PREPERATION**

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

The accounting policies and calculation methods applied in preparing the interim condensed consolidated financial statements for the period ended 30 September 2023 are consistent with those followed in preparing the consolidated financial statements of the Group for the year ended 31 December 2022. The interim condensed consolidated financial statements do not include all the information required in the annual financial statements. Accordingly, it should be read in conjunction with the annual consolidated financial statements as at 31 December 2022.

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

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

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that were applied to the annual consolidated financial statements as at 31 December 2022.

**THE CONCEPT OF GOING CONCERN**

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

**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 2023**

(Expressed in Saudi Arabian Riyals)

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

	<b>30 September 2023</b> (Unaudited)	31 December 2022 (Audited)
<b><u>Cost:</u></b>		
Balance at the beginning of the period / year	<b>234,991,842</b>	247,540,901
Addition during the period / year	<b>11,776,766</b>	29,296,830
Disposal during the period / year	<b>(2,431,400)</b>	(41,845,889)
<b>Balance at the end of the period / year</b>	<b>244,337,208</b>	234,991,842
<b><u>Accumulated amortization:</u></b>		
Balance at the beginning of the period / year	<b>103,713,786</b>	119,761,689
Charge during the period / year	<b>6,983,514</b>	8,355,670
Disposal during the period / year	<b>(1,831,959)</b>	(24,403,573)
<b>Balance at the end of the period / year</b>	<b>108,865,341</b>	103,713,786
<b>Net book values for the period / year</b>	<b>135,471,867</b>	131,278,056

- The land item includes lands (the title deed of one of the mortgaged instruments has been expropriated by the competent government agencies) with a book value of SAR 12,825,000 mortgaged as security against a long-term loan (note: 11).

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

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

	<b>30 September 2023</b> (Unaudited)	31 December 2022 (Audited)
<b><u>Cost:</u></b>		
Balance at the beginning of the period / year	<b>57,385,446</b>	59,864,583
Addition during the period / year	<b>7,360,413</b>	4,702,469
Lease termination during the period / year	-	(7,181,606)
<b>Balance at the end of the period / year</b>	<b>64,745,859</b>	57,385,446
<b><u>Accumulated Amortization:</u></b>		
Balance at the beginning of the period / year	<b>12,557,596</b>	11,399,059
Charge during the period / year	<b>3,663,247</b>	4,127,136
Lease termination during the period / year	-	(2,968,599)
<b>Balance at the end of the period / year</b>	<b>16,220,843</b>	12,557,596
<b><u>Impairment of right-to-use assets:</u></b>		
Balance at the beginning of the period / year	<b>11,496,639</b>	12,874,604
Charge during the period / year	-	-
Reversal of Impairment during the period / year	<b>(1,624,318)</b>	(1,377,965)
<b>Balance at the end of the period / year</b>	<b>9,872,321</b>	11,496,639
<b>Net book values of the period / year</b>	<b>38,652,695</b>	33,331,211

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**

(Expressed in Saudi Arabian Riyals)

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

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

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

<u>Cost Investment</u>	<b>30 September 2023 (Unaudited)</b>	31 December 2022 (Audited)
Share in capital	<b>14,850,000</b>	14,850,000
<b>Total</b>	<b>14,850,000</b>	14,850,000
<b><u>Share in the results of the associate company's business</u></b>		
Balance at the beginning of the period / year	<b>42,513,516</b>	46,775,341
Share of net result for the period / year	<b>849,722</b>	(5,213,062)
Share of other comprehensive income during the period / year	-	951,237
<b>The company's total share of business results at the end of the period / year</b>	<b>43,363,238</b>	42,513,516
<b>Balance at the end of the period / year</b>	<b>58,213,238</b>	57,363,516

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

	<b>30 September 2023 (Unaudited)</b>	31 December 2022 (Audited)
Current assets	<b>20,503,203</b>	17,315,125
Non-current assets	<b>100,802,703</b>	110,434,786
Current liability	<b>(53,003,039)</b>	(59,213,230)
Non-current liability	<b>(14,006,351)</b>	(17,072,571)
Total equity	<b>54,296,516</b>	51,464,110
Group's share 30%	<b>16,288,955</b>	15,439,233
Goodwill	<b>41,924,283</b>	41,924,283
NBV of the investment	<b>58,213,238</b>	57,363,516

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

	<b>30 September 2023 (Unaudited)</b>	30 September 2022 (Unaudited)
Sales	<b>63,202,299</b>	56,158,766
Cost of sales	<b>(36,221,788)</b>	(36,764,595)
Operating expenses	<b>(25,284,338)</b>	(31,504,184)
Non-operating income/ losses	<b>1,136,233</b>	(18,281)
Income / (loss) for the period	<b>2,832,406</b>	(12,128,294)
Group's share 30%	<b>849,722</b>	(3,638,488)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023**

(Expressed in Saudi Arabian Riyals)

**7. TRADE RECEIVABLES, NET**

	<b>30 September 2023</b> <b>(Unaudited)</b>	31 December 2022 <b>(Audited)</b>
Trade receivables	<b>19,347,234</b>	6,330,495
Expected credit losses (note 7/1)	<b>(945,015)</b>	(446,902)
	<b>18,402,219</b>	5,883,593

**7.1 Provision for expected credit losses**

	<b>30 September 2023</b> <b>(Unaudited)</b>	31 December 2022 <b>(Audited)</b>
Balance at the beginning of the period / year	<b>446,902</b>	323,820
Charge during the period / year	<b>498,113</b>	123,082
<b>Balance at the end of the period / year</b>	<b>945,015</b>	446,902

**8. PREPAYMENTS AND OTHER RECEIVABLES**

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

**Saber Real Estate Appraisal - Holder of License No. 1210000589**

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

**9. 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 2023 and 31 December 2022:

**9/1 Nature of Relationship and Transaction with related parties**

<b>Name of Related party</b>	<b>Type of relationship</b>	<b>Nature of transaction</b>	<b>Amount of transaction</b>	
			<b>30 September 2023 (Unaudited)</b>	31 December 2022 (Audited)
Al-Jonah Sweets and Outside Catering Ltd	Associate company	Payment Expenses/ Rents Purchases	<b>3,857,494</b>	-
			<b>128,823</b>	1,048,480
			<b>3,825,075</b>	8,402,857

**9/2 Due from a related party**

<b>Related party</b>	<b>30 September 2023 (Unaudited)</b>	31 December 2022 (Audited)
Al-Jonah Sweets and Outside Catering Ltd.	<b>3,426,57.</b>	5,820,105
	<b>3,426,57.</b>	5,820,105

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**9. RELATED PARTIES DISCLOSURES (CONTINUED)**

**9/3 Due to a related party**

<b>Related party</b>	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Al-Jonah Sweets and Outside Catering Ltd	-	2,591,151
	-	2,591,151

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

	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Short term employee benefit	5,186,634	2,903,904
Termination benefit	283,870	289,468
	<b>5,470,504</b>	<b>3,193,372</b>

**10. LEASE LIABILITY**

	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Balance at the beginning of the period / Year	49,322,536	53,303,906
Addition during the period / Year	7,360,413	4,702,469
Interest due during the period / Year	1,952,603	2,280,436
Lease termination during the period / Year	-	(5,140,609)
Paid during the period / Year	(5,680,433)	(5,823,666)
<b>Balance at the end of the period / Year</b>	<b>52,955,119</b>	<b>49,322,536</b>
Less: current portion of lease liability	(1,246,753)	(6,197,186)
Non-current portion	<b>51,708,366</b>	<b>43,125,350</b>

**11. LONG TERM LOAN**

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

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

	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
Long- term loan	12,165,007	17,415,007
Less: deferred finance cost	(579,401)	(1,658,059)
Net	11,585,606	15,756,948
Less: current portion	(11,585,606)	(7,000,000)
Non- current portion	-	8,756,948

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

	<b>30 September 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
2023	1,750,000	7,000,000
2024	10,415,007	10,415,007
	<b>12,165,007</b>	<b>17,415,007</b>



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**12. EMPLOYEES END OF SERVICE BENEFITS**

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

	<b>30 September 2023</b> <b>(Unaudited)</b>	31 December 2022 <b>(Audited)</b>
Balance at the beginning of the period / Year	<b>12,360,015</b>	15,438,313
Charged to profit or loss during the period / Year	<b>1,405,679</b>	1,539,276
Benefits paid during the period / Year	<b>(1,889,398)</b>	(3,786,030)
Gain from actuarial remeasurement charged to OCI	-	(831,544)
Balance at the end of the period / Year	<b>11,876,296</b>	12,360,015

**13. 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 2023</b> <b>(Unaudited)</b>	31 December 2022 <b>(Audited)</b>
Balance at the beginning of the period / year	<b>931,627</b>	209,866
Charge during the period / year	<b>269,366</b>	931,627
Paid during the period / year	<b>(184,866)</b>	(209,866)
Balance at the end of the period / year	<b>1,016,127</b>	931,627

**The zakat status of Raydan Food Company**

The Company submitted its zakat returns till 2022 and received zakat certificate for those years.

**The tax status of Raydan Food Company- VAT**

All value added tax return submitted till September 2023.

**Raydan Kitchens and Restaurants Company Egypt**

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

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**14. BASIC LOSS PER SHARE**

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

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Net loss attributable to the shareholders of the company	(5,345,249)	911,858	(4,347,739)	(20,998,530)
Weighted average number of common shares used as the denominator in calculating basic Profitability per share	<u>15,808,467</u>	<u>33,750,000</u>	<u>15,808,467</u>	<u>33,750,000</u>
Basic loss per share	<u>(0.34)</u>	<u>0.03</u>	<u>(0.28)</u>	<u>(0.62)</u>
Comprehensive loss attributable to the shareholders of the company	(5,345,249)	911,858	(4,347,739)	(20,998,530)
Weighted average number of common shares used as the denominator in calculating basic Profitability per share	<u>15,808,467</u>	<u>33,750,000</u>	<u>15,808,467</u>	<u>33,750,000</u>
Diluted loss per share	<u>(0.34)</u>	<u>0.03</u>	<u>(0.28)</u>	<u>(0.62)</u>

**15. BUSINESS SEGMENTS**

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

- Traditional meals
- Other segments

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

30 September 2023 (Unaudited)	Traditional meals	Other segments	Total
Revenue	141,567,730	2,597,004	144,164,734
Cost of revenue	(133,544,182)	-	(133,544,182)
Administrative and selling expenses	(19,909,681)	-	(19,909,681)
Share from investment in company by shareholders equity	-	849,722	849,722
Others	4,361,034	-	4,361,034
Net loss for the period	<u>(7,525,099)</u>	<u>3,446,726</u>	<u>(4,078,373)</u>
<b>As at 30 September 2023:</b>			
Investment in an associate	-	58,213,238	58,213,238
<b>Total assets</b>	<u>229,994,628</u>	<u>58,213,238</u>	<u>288,207,866</u>
<b>Total liabilities</b>	<u>107,629,878</u>	-	<u>107,629,878</u>

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**15. BUSINESS SEGMENTS (CONTINUED)**

30 September 2022 (Unaudited)	Traditional meals	Other segments	Total
Revenue	122,881,731	1,154,445	124,036,176
Cost of revenue	(113,669,096)	-	(113,669,096)
Administrative and selling expenses	(20,225,363)	-	(20,225,363)
Share of results in an associate	(3,638,488)	-	(3,638,488)
Others	(7,025,703)	-	(7,025,703)
Net loss for the period	(21,676,919)	1,154,445	(20,522,474)
As at 30 September 2022			
Investment in an associate by equity method	-	57,583,653	57,583,653
Total assets	225,342,765	57,583,653	282,926,418
Total liabilities	96,092,399	-	96,092,399

**Geographical segments**

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

	Western region	Other regions	Total
<b>As at 30 September 2023, and for the nine-month period then ended:</b>			
<b>Revenue</b>	<b>141,567,730</b>	<b>2,597,004</b>	<b>144,164,734</b>
<b>Property, plant and equipment</b>	<b>135,471,867</b>	<b>-</b>	<b>135,471,867</b>
	Western region	Other regions	Total
As at 30 September 2022, and for the nine-month period then ended:			
Revenue	122,881,731	1,154,445	124,036,176
Property, plant and equipment	118,361,361	-	118,361,361

**16. FINANCIAL INSTRUMENTS**

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

**17. SUBSEQUENT EVENTS**

The Extraordinary General Assembly was held on 25 Rabi' Al-Awwal 1445H, corresponding to 10 October 2023 and the following items were approved:

- Approval to transfer the Company's statutory reserve balance amounting to (SAR 27,413,798) in the financial statements for the year ended 31 December 2022 to the retained earnings account.
- Approval to disburse an amount of (SAR 1,197,945) a reward to members of the Board of Directors (current) for the fiscal year ending on 31 December 2022.
- Approval to disburse an amount of (SAR 746,959) as a reward to members of the committees emanating from the (current) Board of Directors for the fiscal year ending on 31 December 2022.



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**18. COMPARATIVE FIGURES**

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

**19. APPROVAL OF THE FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were approved by the Board of Directors on 24 Rabi Al-Akhar 1445H corresponding to 8 November 2023G.