

RAYDAN FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) FOR THE THREE- MONTH PERIOD ENDED 31 MARCH 2023
WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT**

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 2023**

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

TO THE SHAREHOLDERS OF RAYDAN FOOD COMPANY

(Saudi joint stock Company)

(1/1)

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Raydan Food Company (the "Company"), and its subsidiary (hereinafter referred to as the "Group") as at 31 March 2023, and the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month period then ended, and the related interim condensed consolidated statements of changes in Shareholders' 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 condensed consolidated financial statements consists of making inquiries primarily of the persons responsible for financial and accounting matters and applying analytical and other review procedures. The review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing (ISAs) as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all the significant matters that might be identified, during the audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

OTHER MATTER

The condensed consolidated interim financial statements for the three-month period ending on March 31, 2022, were reviewed by another auditor and an unmodified conclusion was expressed on Shawwal 22, 1443, corresponding to May 23, 2022.

For Al-Bassam & Co.



Ahmed Abdulmajeed Mohandis
Certified Public Accountant
License No. 477
Jeddah: 2 Dhu al-Qi`dah 1444H
Corresponding to: 22 May 2023





RAYDAN FOOD COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT 31 MARCH 2023
(Expressed in Saudi Arabian Riyals)

	Note	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Assets			
Non-current assets			
Property, plant and equipment, net	4	136,266,979	131,278,056
Intangible assets, net		99,263	127,569
Right-of-use assets, net	5	36,926,664	33,331,211
Investments in associate company through equity method	6	56,287,405	57,363,516
Total non-current assets		229,580,311	222,100,352
Current assets			
Inventories, net		5,079,162	4,314,848
Trade receivables, net		8,321,161	5,883,593
Due from related party	8	3,305,822	5,820,105
Prepayments and other receivables		13,777,674	7,046,111
Assets held for sale	7	8,328,290	8,328,290
Cash and cash equivalents		15,988,250	27,465,154
Total current Assets		54,800,359	58,858,101
Total Assets		284,380,670	280,958,453
Shareholders' equity and liabilities			
Shareholders' Equity			
Share capital	1	158,084,670	158,084,670
Statutory reserve		27,413,798	27,413,798
Accumulated losses		(4,183,428)	(927,380)
Foreign currency translation reserve		354,255	419,407
Total Shareholders' equity of the Company		181,669,295	184,990,495
Non-controlling interests		1,910	3,452
Total Shareholders' Equity		181,671,205	184,993,947
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	9	47,548,022	43,125,350
Long term loans - non-current portion	10	6,554,702	8,756,948
End of service benefits	11	12,187,089	12,360,015
Total non-current liabilities		66,289,813	64,242,313
Current liabilities			
Lease liabilities – current portion	9	4,310,286	6,197,186
Long-term loans – current portion	10	7,811,790	7,000,000
Trade payables		14,032,000	8,646,384
Due to related party	8	-	2,591,151
Accrued expenses and other payables		8,788,535	6,043,337
Provision for potential claims		312,508	312,508
Accrued zakat		1,164,533	931,627
Total Current liabilities		36,419,652	31,722,193
Total Liabilities		102,709,465	95,964,506
Total Shareholders' Equity and Liabilities		284,380,670	280,958,453

Chief Financial Officer

Chief Executive Officer

Vice Chairman

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**
(Expressed in Saudi Arabian Riyals)

	Note	For the three-month period ended 31 March	
		2023	2022
Revenue		41,802,878	37,338,119
Cost of revenue		(41,418,072)	(34,974,427)
Gross profit		384,806	2,363,692
Selling and marketing expenses		(1,968,116)	(374,938)
General and Administrative expenses		(4,879,386)	(5,760,635)
Reversal of impairment loss on right of use assets		916,789	-
Loss on disposal of property, plant and equipment		327,846	(59,199)
Profit from disposal of right of use assets		-	(6,377)
Other operating income		4,353,262	813,295
Operation loss		(864,799)	(3,024,162)
Group shares of the losses from investments in associate companies through equity method	6	(1,076,111)	(687,847)
Finance Costs		(971,028)	(1,001,683)
Currency valuation differences		(112,088)	-
Loss before zakat and income tax		(3,024,026)	(4,713,692)
Zakat And Income Tax	12	(232,906)	-
Net loss after zakat and income tax		(3,256,932)	(4,713,692)
Other comprehensive income (OCI):			
OCI that may be reclassified to profit or loss subsequently:			
Exchange differences on translation of foreign operations		(65,810)	(88,907)
Other comprehensive loss		(65,810)	(88,907)
Total comprehensive loss		(3,322,742)	(4,802,599)
Attributable to:			
- The group's shareholders		(3,256,048)	(4,714,289)
- Non-controlling interests		(884)	597
		(3,256,932)	(4,713,692)
Attributable to:			
- The group's shareholders		(3,321,200)	(4,803,196)
- Non-controlling interests		(1,542)	597
		(3,322,742)	(4,802,599)
Basic and diluted losses per share:			
From continued operation	13	(0.21)	(0.14)
From net loss for the year	13	(0.21)	(0.14)

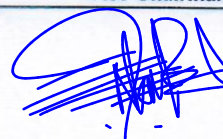
Chief Financial Officer



Chief Executive Officer



Vice Chairman



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 CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Expressed in Saudi Arabian Riyals)

	Equity attributable to the shareholders of the Company						
	Share capital	Statutory reserve	Accumulated losses	Foreign currency translation Reserve	Total Shareholders' equity of the Company	Non-controlling interests	Total Shareholders' equity
For the three-month period ended at 31 March 2023							
As at 1 Jan 2023	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 losses	-	-	-	(65,152)	(65,152)	(658)	(65,810)
Total comprehensive losses for the year	-	-	(3,256,048)	(65,152)	(3,321,200)	(1,542)	(3,322,742)
As at 31 March 2023	158,084,670	27,413,798	(4,183,428)	354,255	181,669,295	1,910	181,671,205
For the three-month period ended at 31 March 2022							
As at 1 Jan 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 income	-	-	-	(88,907)	(88,907)	-	(88,907)
Total comprehensive losses for the year	-	-	(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	337,500,000	27,413,798	(162,218,396)	419,407	203,114,809	5,359	203,120,168

Chief Financial Officer

Chief Executive Officer

Vice Chairman

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 2023
(Expressed in Saudi Arabian Riyals)

	For the three-month period ended 31 March	
	2023 (Unaudited)	2022 (Unaudited)
Operating activities		
Net loss before zakat and foreign tax	(3,024,026)	(4,713,692)
Adjustments for non-cash items:		
Allowance for expected credit losses	38,769	-
Depreciation of property, plant and equipment	2,110,533	2,406,115
Depreciation of right of use assets	1,132,525	914,278
Amortization of intangible assets	38,206	37,256
Finance cost incurred	971,028	1,001,683
loss from disposal property, plant and equipment	-	59,199
Profit/ (Loss) from disposal of right of use assets	(916,789)	6,377
Group shares of the losses from investments in associate companies through equity method	1,076,111	687,847
Employee termination benefits incurred	472,731	387,905
Cash flow used and operating activities	<u>1,899,088</u>	<u>786,968</u>
Changes in working capital		
Inventory	(764,315)	(581,009)
Trade receivables	(2,476,337)	296,256
Due from related party	2,514,283	(575,787)
Prepayments and other receivables	(6,731,563)	153,687
Trade payable	5,381,191	(1,028,294)
Accrued expenses and other payable	2,685,355	-
Due to related party	(2,591,151)	(198,757)
Employee termination benefits paid	(83,449)	(1,146,936)
Net cash flow used in operating activities	<u>(729,106)</u>	<u>(1,594,878)</u>
Investing activities		
Addition of property, plant and equipment	(7,099,456)	(666,334)
Addition of intangible assets	(9,900)	-
Proceeds from sale of property, plant and equipment	-	997,111
Net cash flow (used in)/ Generated from investing activities	<u>(7,109,356)</u>	<u>330,777</u>
Financing activities		
Repayment of loan	(1,750,000)	(1,500,000)
Repayment of lease liability	(1,886,900)	(1,501,299)
Change in non-controlling interest	(1,542)	2,450
Net cash flow used in financing activities	<u>(3,638,442)</u>	<u>(2,998,849)</u>
Net change in cash and cash equivalents	<u>(11,476,904)</u>	<u>(4,262,950)</u>
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	-	(88,907)
Cash and cash equivalents at the end of the period	<u>15,988,250</u>	<u>71,836,527</u>



RAYDAN FOOD COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)(CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Expressed in Saudi Arabian Riyals)

	For the three-month period ended 31 March	
	2023 (Unaudited)	2022 (Unaudited)
<u>Non-cash transactions</u>		
The following non-cash transactions are excluded:		
Right of use assets	3,811,188	-
Lease liabilities	(3,811,188)	-
Unrealized gain on sale of assets of an associate	-	403,200
Proceeds from disposal of property, plant and equipment and equipment	-	4,108,348

Chief Financial Officer

Chief Executive Officer

Vice Chairman

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-MONTH PERIOD ENDED 31 MARCH 2023
(Expressed in Saudi Arabian Riyals)

1. ORGANISATION AND ACTIVITIES

Raydan Food Company is a Saudi joint stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030180055 issued in Jeddah on 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.

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPERATION

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

THE CONCEPT OF GOING CONCERN

The condensed consolidated interim financial statements have been prepared on the basis of the going concern principle, which assumes that the group will continue in its commercial business in the foreseeable future as indicated in the condensed consolidated interim financial statements. The group incurred a net loss during the period ending on March 31, 2023. The group's ability to continue its business depends on achieving more cash flows from its business and its success in increasing its capital through offering priority rights.

RAYDAN FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Expressed in Saudi Arabian Riyals)

4. PROPERTY, PLANT AND EQUIPMENT, NET

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Cost:		
Balance at the beginning of the period / Year	234,991,842	247,540,901
Addition during the period / Year	7,099,456	29,296,830
Disposal during the period / Year	-	(41,845,889)
Balance at the end of the period / Year	242,091,298	234,991,842
Accumulated amortization:		
Balance at the beginning of the period / Year	103,713,786	119,761,689
Charge during the period / Year	2,110,533	8,355,670
Disposal during the period / Year	-	(24,403,573)
Balance at the end of the period / Year	105,824,319	103,713,786
Net book values for the period / Year	136,266,979	131,278,056

The land item includes lands with a book value of 12,825,000 Saudi riyals mortgaged as security against a long-term loan (note: 10).

5. RIGHT OF USE ASSETS, NET

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Cost:		
Balance at the beginning of the period / Year	57,385,446	59,864,583
Addition during the period / Year	3,811,188	4,702,469
Lease termination	-	(7,181,606)
Balance at the end of the period / Year	61,196,634	57,385,446
Accumulated Amortization:		
Balance at the beginning of the period / Year	24,054,235	24,273,663
Charge during the period / Year	1,132,525	4,127,136
Reversal of Impairment	(916,790)	(1,377,965)
Lease termination	-	(2,968,599)
Balance at the end of the period / Year	24,566,970	24,054,235
Net book values of the period/ year	36,926,664	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-MONTH PERIOD ENDED 31 MARCH 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 31 March 2023 amounted to 30% (31 December 2022: 30%), and the investment movement was as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / Year	57,363,516	61,625,341
Share of net result for the period / Year	(1,076,111)	(5,213,062)
Share of other comprehensive income during the period / Year	-	951,237
Balance at the end of the period / Year	56,287,405	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:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Current assets	16,588,729	17,315,125
Non-current assets	107,649,865	110,434,786
Current liability	(56,432,328)	(59,213,230)
Non-current liability	(19,929,193)	(17,072,571)
Total partinars' equity	47,877,073	51,464,110
Group's share 30%	14,363,122	15,439,233
Goodwill	41,922,212	41,922,212
Previous years adjustment	2,071	2,071
NBV of the investment	56,287,405	57,363,516

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

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Sales	12,313,318	68,198,671
Cost of sales	(9,186,601)	(45,972,035)
Operating expenses	(6,974,801)	(37,784,723)
Non-operating income & losses	261,047	(1,818,785)
Loss for the period	(3,587,037)	(17,376,872)
Group's share 30%	(1,076,111)	(5,213,062)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Expressed in Saudi Arabian Riyals)

7. ASSETS HELD FOR SALE

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

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

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

8. RELATED PARTIES DISCLOSURES

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

8/1 Transaction with related parties

Name of Related party	Type of relationship	Nature of transaction	Amount of transaction	
			31 March 2023 (Unaudited)	31 December 2022 (Audited)
Al-Jonah Sweets and Outside Catering Ltd	Associate company	Rents/ Sales Purchases	14,588 1,521,282	1,048,480 8,402,857

8/2 Due from related party

Related party	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Al-Jonah Sweets and Outside Catering Ltd.	3,305,822	5,820,105
	<u>3,305,822</u>	<u>5,820,105</u>

8/3 Due to related party

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

Key management personnel benefits are as follows:

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Short term employee benefit	1,715,834	2,903,904
Termination benefit	39,765	289,468
	<u>1,755,599</u>	<u>3,193,372</u>

RAYDAN FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023
(Expressed in Saudi Arabian Riyals)

9. LEASE LIABILITY

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / Year	49,322,536	53,303,906
Addition during the period / Year	3,811,188	4,702,469
Interest due	611,484	2,280,436
Lease termination	-	(5,140,609)
Paid	(1,886,900)	(5,823,666)
Balance at the end of the period / Year	51,858,308	49,322,536
Less: current portion of lease liability	(4,310,286)	(6,197,186)
Non-current portion	47,548,022	43,125,350

10. LONG TERM LOAN

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

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

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Long- term loan	15,665,007	17,415,007
Less: deferred finance cost	(1,298,515)	(1,658,059)
Net	14,366,492	15,756,948
Less: current portion	(7,811,790)	(7,000,000)
Non- current portion	6,554,702	8,756,948

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

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
2023	5,250,000	7,000,000
2024	10,415,007	10,415,007
	15,665,007	17,415,007

11. EMPLOYEE TERMINATION BENEFITS

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

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period / Year	12,360,015	15,438,313
Charged to profit or loss during the period / Year	472,731	1,539,276
Gain from actuarial remeasurement charged to OCI	-	(831,544)
Benefits paid during the period / Year	(645,657)	(3,786,030)
Balance at the end of the period / Year	12,187,089	12,360,015

RAYDAN FOOD COMPANY
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12. ZAKAT AND INCOME TAX

The Company is subject to zakat. Zakat is payable at 2.5% of the approximate zakat base or adjusted net profit, whichever is higher. The most important components of the zakat base according to the zakat regulations consist mainly of equity, provisions, long-term loans and adjusted net profit minus the net book value of non-current assets. The subsidiary is subject to income tax, which is payable at 22.5% of the taxable net profit.

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

	31 March 2023 (Unaudited)	31 December 2022 (Audited)
Balance at the beginning of the period/ year	931,627	209,866
Charge during the period/ year	232,906	931,627
Payments during the period/ year	-	(209,866)
Balance at the end of the period/ year	<u>1,164,533</u>	<u>931,627</u>

Raydan Food Company

The company submitted its zakat returns and zakat certificates were received from 2012 till 2022.

The tax status of Raydan Food Company

Value added tax returns were submitted on a monthly basis from January 2018 to March 2023.

Raydan Kitchens and Restaurants Company Egypt

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

13. BASIC LOSS PER SHARE

The loss per share was calculated from the net loss for the three month period ended 31 March 2023 and 2022, 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 31 March	
	2023 (Unaudited)	2022 (Unaudited)
Net loss attributable to the shareholders of the company	(3,256,048)	(4,713,692)
Weighted average number of common shares used as the denominator in calculating basic Losses per share	15,808,467	33,750,000
basic Loss per share (EPS) from continuing operations	<u>(0.21)</u>	<u>(0.14)</u>
Comprehensive loss attributable to the shareholders of the company	(3,321,200)	(4,802,599)
Weighted average number of common shares used as the denominator in calculating basic losses per share	15,808,467	33,750,000
Basic comprehensive loss per ordinary share from net loss	<u>(0.21)</u>	<u>(0.14)</u>

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14. BUSINESS SEGMENTS

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

- 1 - Traditional meals
- 2- Other segments

The following is a summary of some financial information by business sectors as at and for the period ending on 31 March 2023 and 31 March 2022, which are summarized according to the business segments mentioned above:

31 March 2023 (Unaudited)	Traditional meals	Other segments	Total
Revenue	41,194,447	608,431	41,802,878
Cost of revenue	(41,418,072)	-	(41,418,072)
Administrative and selling expenses	(6,847,502)	-	(6,847,502)
Others	3,205,764	-	3,205,764
Net loss for the period	(3,865,363)	608,431	(3,256,932)
As at 31 March 2023:			
Investment in an associate	-	56,287,405	56,287,405
Total assets	228,093,265	56,249,128	284,342,393
Total liabilities	102,709,465	-	102,709,465
31 March 2022 (Unaudited)	Traditional meals	Other segments	Total
Revenue	37,071,890	266,229	37,338,119
Cost of revenue	(34,974,427)	-	(34,974,427)
Administrative and selling expenses	(6,135,573)	-	(6,135,573)
Others	(253,964)	(687,847)	(941,811)
Net loss for the period	(4,292,074)	(421,618)	(4,713,692)
As at 31 March 2022			
Investment in an associate	-	60,534,294	60,534,294
Total assets	256,095,894	60,534,294	316,630,188
Total liabilities	113,510,020	-	113,510,020

Geographical segments:

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

	Western region	Other regions	Total
<u>As at 31 March 2023, and for the three-month period then ended:</u>			
Revenue	41,194,447	608,431	41,802,878
Property, plant and equipment	136,266,979	-	136,266,979
	Western region	Other regions	Total
<u>As at 31 March 2022, and for the three-month period then ended:</u>			
Revenue	36,677,482	660,637	37,338,119
Property, plant and equipment	118,376,495	2,901,487	121,277,972

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15. FINANCIAL INSTRUMENTS

The Group's financial assets consist of cash and cash equivalents, due from related parties and trade receivables, net. Its financial liabilities consist of trade payables, due to related parties and long-term loan. The fair values of the financial instruments are not materially different from their book value. The Group did not, as at March 31, 2023, hold any financial instruments measured at fair value.

16. SUBSEQUENT EVENTS

- The Central Bank of Saudi Arabia decided during the month of May 2023 to raise the rate of repurchase agreements (repo) by 25 basis points, to increase the rate of repurchase agreements from 5% to 5.75% percent.
-
- The management believes that there are no significant subsequent events since the end of the period that may affect the financial position of the group or the disclosures in the financial statements, except for what has been disclosed.

17. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 2 Dhu al-Qi`dah 1444H corresponding to 22 May 2023.