

**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 2021**

**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**And Independent Auditor's Review Report**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

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**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the Shareholders of  
Raydan Food Company  
a Saudi Joint Stock Company  
Jeddah, Kingdom of Saudi Arabia**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Raydan Food Company (the "Company"), a Saudi Joint Stock Company, and its subsidiary (the "Group") as at 31 March 2021, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, 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 IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard for Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of the interim condensed consolidated financial statements consists of making inquiries primarily of the persons responsible for financial and accounting matters and applying analytical and other review procedures. The review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing (ISAs) as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all the significant matters that might be identified during the audit. Accordingly, we do not express an audit opinion.

**Basis for qualified conclusion**

A) The balance of the investment in Al-Jonah Sweets and Outside Catering Limited (the "Associate") in the interim condensed consolidated statement of financial position as at 31 March 2021 and 31 December 2020 amounted SR 80,4 million. We were unable to obtain sufficient appropriate audit evidence regarding the balance of the Group's investment in the Associate as at 31 December 2020 and the Group's share of the Associate's net profit for the year ended 31 December 2020, because we were unable to access the relevant financial information and working papers of the Associate's auditor. Also, we were unable to perform appropriate review procedures regarding the balance of the Group's investment in the Associate as at 31 March 2021 and the Group's share of the Associate's net profit for the period ended 31 March 2021, because we were unable to access the relevant financial information. Accordingly, we were unable to determine whether any adjustments to these amounts were necessary.

B) The International Accounting Standard 36 "Impairment of Assets" requires management to assess, at the end of each financial reporting period, whether there is any indication of impairment of assets. In the event of any such indication, the Group must estimate the recoverable amount of the asset and record an impairment loss, if any. Management did not perform an assessment of the impairment of property, plant and equipment as at 31 March 2021 and 31 December 2020, amounting to SR 164,4 million and SR 167,0 million, respectively. Management also did not perform impairment test for investment in associate as at 31 March 2021 amounting SR 80,4 million. Accordingly, we were unable to determine whether any adjustments to the book value of property, plant and equipment and investment in associate were necessary.

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

To the Shareholders of  
Raydan Food Company  
a Saudi Joint Stock Company  
Jeddah, Kingdom of Saudi Arabia

**Material Uncertainty Related to Going Concern**


We draw attention to note 3 to the interim condensed consolidated financial statements which indicates, among other matters, that the Group incurred a net loss of SR 8.9 million for the period ended 31 March 2021. And as of that date, current liabilities exceeded current assets by SR 36.9 million. As mentioned in note 3, those events and circumstances, among other matters, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**Conclusion**

Based on our review, and except for the potential effects of the matters described in the "basis for qualified conclusion" paragraph, nothing came to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respect, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

**Baker Tilly MKM & Co.**  
Certified Public Accountants



  
Ayad O. Alseraihi  
License No. 405  
Jeddah on 8 Shaban 1442H  
Corresponding to 20 May 2021

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021**

		<i>31 March 2021</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2020 (Audited)</i>
		SR	SR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	164,363,100	166,990,467
Intangible assets		316,297	351,343
Right of use assets	5	64,674,423	66,438,649
Investment in an associate	6	80,439,428	80,439,428
		<u>309,793,248</u>	<u>314,219,887</u>
<b>Current assets</b>			
Inventories		2,071,839	2,638,863
Trade receivables		1,628,118	1,423,235
Due from related parties	7	6,834,492	6,216,929
Prepayments and other receivables		4,586,452	4,742,898
Cash and cash equivalents		1,981,246	5,382,116
		<u>17,102,147</u>	<u>20,404,041</u>
<b>TOTAL ASSETS</b>		<u><u>326,895,395</u></u>	<u><u>334,623,928</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital		225,000,000	225,000,000
Statutory reserve		27,413,798	27,413,798
Accumulated losses		(75,920,113)	(67,041,225)
Foreign currency translation reserve		507,452	506,657
<b>Equity attributable to the shareholders of the Company</b>		<u>177,001,137</u>	<u>185,879,230</u>
Non-controlling interest		21,066	21,698
<b>Total equity</b>		<u>177,022,203</u>	<u>185,900,928</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	8	61,531,927	65,865,689
Long-term loan	9	18,391,965	18,467,235
Employee termination benefits	10	15,970,619	16,429,734
		<u>95,894,511</u>	<u>100,762,658</u>
<b>Current liabilities</b>			
Current portion of lease liabilities	8	14,089,596	10,173,973
Current portions of long-term loan	9	3,550,000	4,000,000
Trade payables		24,519,652	21,916,049
Due to related parties	7	11,156,924	11,207,811
Zakat payable	11	662,509	662,509
		<u>53,978,681</u>	<u>47,960,342</u>
<b>Total liabilities</b>		<u>149,873,192</u>	<u>148,723,000</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>326,895,395</u></u>	<u><u>334,623,928</u></u>

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

**RAYDAN FOOD COMPANY**  
(A Saudi Joint Stock Company)  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

	Note	For the three-month period ended 31	
		March 2021	
		2021	2020
		SR	SR
Revenue from contracts with customers		34,324,106	48,683,790
Cost of revenue		(37,183,456)	(48,605,351)
<b>Gross (Loss) / profit</b>		<b>(2,859,350)</b>	78,439
Selling and marketing expenses		(554,521)	(460,020)
General and administrative expenses		(5,043,255)	(5,431,482)
Other operating income		716,380	789,784
<b>Operating loss</b>		<b>(7,740,746)</b>	(5,023,279)
Share of results in an associate	6	-	-
Finance costs		(1,138,782)	(1,165,623)
Foreign currency exchange differences		-	6,042
<b>Loss before zakat and income tax</b>		<b>(8,879,528)</b>	(6,182,860)
Zakat and income tax	11	-	(479,368)
<b>Net loss for the year</b>		<b>(8,879,528)</b>	(6,662,228)
<b>Attributable to:</b>			
The Company's shareholders		(8,878,888)	(6,655,103)
Non-controlling interests		(640)	(7,125)
		<b>(8,879,528)</b>	(6,662,228)
<b>Other Comprehensive Income (OCI)</b>			
<i>OCI that may be reclassified to profit or loss subsequently:</i>			
Exchange differences on translation of foreign operations		803	61,315
<b>Total other comprehensive loss</b>		<b>803</b>	61,315
<b>Total comprehensive loss</b>		<b>(8,878,725)</b>	(6,600,913)
<b>Attributable to:</b>			
The Company's shareholders		(8,878,093)	(6,595,199)
Non-controlling interests		(632)	(5,714)
		<b>(8,878,725)</b>	(6,600,913)
<b>Basic and diluted losses per share:</b>			
From net loss	12	(0.39)	(0.30)

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

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

	<i>Equity attributable to the shareholders of the Company</i>						<i>Total equity</i>
	<i>Capital</i>	<i>Statutory reserve</i>	<i>(Accumulated losses) / Retained earnings</i>	<i>Foreign currency translation reserve</i>	<i>Equity attributable to the shareholders of the Company</i>	<i>Non-controlling interest</i>	
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	
<b>For the three-month period ended 31 March 2021:</b>							
As at 1 January 2021	225,000,000	27,413,798	(67,041,225)	506,657	185,879,230	21,698	185,900,928
Loss for the period	-	-	(8,878,888)	-	(8,878,888)	(640)	(8,879,528)
Other comprehensive loss	-	-	-	795	795	8	803
Total comprehensive loss	-	-	(8,878,888)	795	(8,878,093)	(632)	(8,878,725)
As at 31 March 2021	<u>225,000,000</u>	<u>27,413,798</u>	<u>(75,920,113)</u>	<u>507,452</u>	<u>177,001,137</u>	<u>21,066</u>	<u>177,022,203</u>
<b>For the three-month period ended 31 March 2020:</b>							
As at 1 January 2020	225,000,000	27,413,798	18,519,682	451,942	271,385,422	32,641	271,418,063
Loss for the period	-	-	(6,655,103)	-	(6,655,103)	(7,125)	(6,662,228)
Other comprehensive loss	-	-	-	59,904	59,904	1,411	61,315
Total comprehensive loss	-	-	(6,655,103)	59,904	(6,595,199)	(5,714)	(6,600,913)
As at 31 March 2020	<u>225,000,000</u>	<u>27,413,798</u>	<u>11,864,579</u>	<u>511,846</u>	<u>264,790,223</u>	<u>26,927</u>	<u>264,817,150</u>

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

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

	<b>For the three-month period ended</b>	
	<b>31 March 2021</b>	
	<b>2021</b>	<b>2020</b>
	<i>SR</i>	<i>SR</i>
<b>OPERATING ACTIVITIES</b>		
Loss for the period	<b>(8,879,528)</b>	(6,662,228)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	<b>3,018,579</b>	3,586,958
Depreciation of right of use assets	<b>1,764,226</b>	2,225,508
Amortization of intangible assets	<b>35,046</b>	88,135
Finance costs incurred	<b>1,138,782</b>	1,165,623
Loss from disposal of property, plant and equipment	<b>2,050</b>	60,000
Employee termination benefits incurred	<b>441,821</b>	737,182
Zakat and income tax charges	<b>-</b>	479,368
	<b>(2,479,024)</b>	1,680,546
Changes in working capital:		
Inventories	<b>567,024</b>	368,257
Trade receivables	<b>(204,883)</b>	(130,373)
Due from related parties	<b>(617,563)</b>	(67,415)
Prepayments and other receivables	<b>156,446</b>	(1,024,620)
Trade payables	<b>2,603,603</b>	5,027,515
Due to related parties	<b>(50,887)</b>	(403,021)
	<b>(25,284)</b>	5,450,889
Employee termination benefits paid	<b>(900,936)</b>	(491,763)
Zakat and income tax paid	<b>-</b>	(479,368)
<b>Net cash flows (used in) / from operating activities</b>	<b>(926,220)</b>	4,479,758
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(270,285)</b>	(3,468,825)
Proceeds from disposed of property, plant and equipment	<b>10,000</b>	-
<b>Net cash flows used in investing activities</b>	<b>(260,285)</b>	(3,468,825)
<b>FINANCING ACTIVITIES</b>		
Loan repayments	<b>(1,000,000)</b>	(1,048,127)
Payment of lease liabilities	<b>(1,215,167)</b>	(1,589,000)
<b>Net cash flows used in financing activities</b>	<b>(2,215,167)</b>	(2,637,127)
<b>Net change in cash and cash equivalents</b>	<b>(3,401,672)</b>	(1,626,194)
Cash and cash equivalents at 1 January	<b>5,382,116</b>	2,228,194
foreign currency translation impact	<b>802</b>	61,315
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>1,981,246</b>	663,315
Unwinding of the discount on lease liabilities	<b>797,028</b>	812,442
Amortization of deferred finance cost	<b>474,730</b>	353,181
Capitalized finance cost	<b>132,976</b>	-

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



## RAYDAN FOOD COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

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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 Jumada II 11 1429H corresponding to 15 June 2008.

On 26 February 2017, the Company has obtained of the Capital Market Authority approval to list 30% of its shares in the parallel money market "Nomu".

On 17 November 2019, the Company obtained the approval of the Capital Market Authority to transfer Raydan Food Company from the parallel market to the main market and accordingly list its shares in the main capital market.

Subsequent to the date of the interim condensed consolidated statement of financial position , 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 will be SR 337.5 million. It is expected to start the offering of shares in the third quarter of 2021.

The Company is engaged in running restaurants and offering catering services

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

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Direct ownership</u>	<u>Main activities</u>
Raydan Kitchens and Restaurants Egypt	Egypt	99%	Establishing and operating fixed restaurants for selling and providing ready meals and real estate investment.

#### 2 BASIS OF PREPARATION

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

The accounting policies and calculation methods applied in preparing the interim condensed consolidated financial statements for the period ended 31 March 2021 are consistent with those followed in preparing the consolidated financial statements of the Group for the year ended 31 December 2020. 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 2020.

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

#### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Company'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 financial statements as of and for the year ended 31 December 2020 in addition to the following:

## RAYDAN FOOD COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

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#### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

##### *Going concern basis of accounting*

The consolidated financial statements have been prepared on the going concern basis, which assumes that the Group will continue its activities for the foreseeable future. As shown in the consolidated financial statements, the Group incurred a net loss during the period ended 31 March 2021. Also, the Group's current liabilities exceeded its current assets as of 31 March 2021. The ability of the Group to continue its operations depends on achieving more revenue from its operation and obtaining sufficient cash to pay off its current liabilities.

The consequences of the Corona virus (Covid-19) have significantly affected the Group's operations, since the Group has closed part of its branches either on permanent or temporary basis as a result of the measurements imposed by the government of the Kingdom of Saudi Arabia, which resulted in a significant decline in sales while the Group continued to incur fixed and semi-variable expenditures which has affected the financial performance and cash flows of the Group.

In assessing the Group's going concern situation, management, with the board of directors, has developed comprehensive cash flow projections to ensure that sufficient and appropriate financing is available to meet the Group's liabilities for at least the next twelve months. Upon the assessment, the current measures that the Group has put in place to preserve cash and reduce discretionary expenditures over the next twelve months were taken into consideration.

Specifically, the members of the Board of Directors have taken into consideration the following:

A- Postponing the payment of the investment purchased by the Group in the associated Company Al-Jonah Sweets and Outside Catering Ltd. Which will be paid upon having sufficient liquidity.

B- The due installment related to the long term loan have been rescheduled.

C- Stopping the completion of the capital work in progress related to the expansion of the Group's branches until conditions improve and liquidity becomes available.

D- Adopting expansion through granting franchises to increase the sources of revenue.

E- Working to reduce the rent payment of the Group's branches and to negotiate the payment of due amounts and to reschedule them in accordance with available liquidity.

F- Maximum utilization of all initiatives granted by government to companies during the period from the beginning of the Pandemic to date. Also, agree with government authorities to reschedule the over due payments.

G- Restructuring the operational sector to reduce labor cost.

H - Review the Group food menu and stop the less-selling and most wasteful items.

I- Working to increase the Company's capital by submitting an application to the Capital Market Authority.

The Board of Directors took into consideration the extent of the impact of government measurement and their impact on the cash flows of the Group as a result of the decrease in the demand for restaurants. Currently, the Board of Directors believe that the Group can maintain adequate liquidity and meet the liabilities of the Group during the next twelve months as at 31 March 2021. and this plan depends significantly on the success of the Group in generating more revenue and increase the Company's capital.

Given that the situation is rapidly evolving, the impact of this virus outbreak is subject to significant levels of uncertainty, with the full range of potential unknown outcomes regarding future levels of revenue resulting from potential changes in restaurant costumers behaviors during the current and future periods. These uncertainties may create substantial doubt about the Group's ability to continue accordance to the going concern principle. However, taking into consideration the above-mentioned assessment, the interim condensed consolidated financial statements for the year ended 31 March 2021 have been prepared on the going concern basis.

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

**4 PROPERTY, PLANT AND EQUIPMENT**

	<i>For the three-month period ended 31 March 2021</i>	<i>For the year ended 31 December 2020</i>
	<i>SR</i>	<i>SR</i>
<b>Cost:</b>		
Balance at the beginning of the period / year	270,818,167	340,061,656
Additions during period / year	403,262	2,654,785
Disposals during period / year	(27,050)	(71,898,274)
Balance at the end of the period / year	<u>271,194,379</u>	<u>270,818,167</u>
<b>Accumulated depreciation and impairment:</b>		
Balance at the beginning of the period / year	103,827,700	99,203,946
Charge during period / year	3,018,579	14,289,489
Impairment during period / year	-	21,588,534
Disposals during period / year	(15,000)	(31,254,269)
Balance at the end of the period / year	<u>106,831,279</u>	<u>103,827,700</u>
Net Book Value at the end of the period / year	<u>164,363,100</u>	<u>166,990,467</u>

- Lands include the land of Kilo 14 branch with a book value of SR 1,923,000 registered in the name of its previous owner and the procedures for transferring ownership to the Group are in progress.

- Lands include lands with a book value of SR 12,825,000 which are pledged as guarantees against the long-term loan (note 9).

- Finance costs amounting to SR 132,976 were capitalized during the period ended on 31 March 2021.

**5 RIGHT-OF-USE ASSETS**

	<i>Branches and warehouses</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>
<b>Cost:</b>		
At 1 January 2020	83,394,681	83,394,681
Additions	3,400,936	3,400,936
Disposals	(3,123,504)	(3,123,504)
Discounts	(2,358,320)	(2,358,320)
At 31 December 2020	81,313,793	81,313,793
<b>Additions</b>	-	-
<b>At 31 March 2021</b>	<u>81,313,793</u>	<u>81,313,793</u>
<b>Accumulated depreciation:</b>		
At 1 January 2020	8,723,561	8,723,561
Charge for the year	7,712,833	7,712,833
Disposals	(1,561,250)	(1,561,250)
At 31 December 2020	14,875,144	14,875,144
<b>Charge for the period</b>	<u>1,764,226</u>	<u>1,764,226</u>
<b>At 31 March 2021</b>	<u>16,639,370</u>	<u>16,639,370</u>
<b>Net book value:</b>		
<b>At 31 March 2021</b>	<u>64,674,423</u>	<u>64,674,423</u>
At 31 December 2020	<u>66,438,649</u>	<u>66,438,649</u>

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

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021****6 INVESTMENT IN AN ASSOCIATE****Investment in Al-Jonah Sweets and Outside Catering Ltd**

Al-Jonah Sweets and Outside Catering Ltd. is a limited liability company registered in the Kingdom of Saudi Arabia, and is engaged in organizing external parties for others, providing meals and services for cooked and non-cooked food. The Group's share in the capital of Al-Jonah Company as of 31 March 2021 is 30% (31 December 2020: 30%) and the investment movement is as follows:

	<i>For the three-month period ended 31 March 2021</i>	<i>For the year ended 31 December 2020</i>
	<u>SR</u>	<u>SR</u>
Balance at the beginning of the period / year	80,439,428	82,122,665
Share of result from associate	-	(1,683,237)
Balance at the end of the period / year	<u>80,439,428</u>	<u>80,439,428</u>

**7 RELATED PARTIES DISCLOSURES**

The following table provides the total amount of significant transactions that have been entered into with related parties along with the related balances as of 31 March 2021 and 31 December 2020:

		<b>Rent / sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts due from related parties</b>	<b>Amounts due to related parties</b>
		<u>SR</u>	<u>SR</u>	<u>SR</u>	<u>SR</u>
<b>Sister Companies</b>					
Al-Jonah Sweets and Outside Catering Ltd	<b>2021</b>	<b>616,564</b>	<b>188,711</b>	<b>6,834,492</b>	<b>10,080,281</b>
	2020	2,732,382	507,171	6,216,929	9,891,571
Farah hall for parties	<b>2021</b>	<b>262,884</b>	-	-	<b>895,712</b>
	2020	2,313,258	-	-	1,078,500
<b>Shareholders</b>					
Mansour Al-Sulami	<b>2021</b>	-	-	-	<b>180,931</b>
	2020	-	-	-	237,740
<b>Total</b>	<b>2021</b>			<u><b>6,834,492</b></u>	<u><b>11,156,924</b></u>
	2020			<u>6,216,929</u>	<u>11,207,811</u>

Compensation of key management personnel comprise the following:

		<i>For the three-month period ended 31 March 2021</i>	<i>For the year ended 31 December 2020</i>
	<i>The nature of the transaction</i>	<u>SR</u>	<u>SR</u>
Key management	Salaries, Allowances and commission	<u>741,368</u>	<u>3,311,395</u>

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021****8 LEASE LIABILITIES**

	<i>For the three- month period ended 31 March 2021</i>	<i>For the year ended 31 December 2020</i>
	<u>SR</u>	<u>SR</u>
Balance at the beginning of the period / year	76,039,662	76,815,518
Additions during the period / year	-	3,400,936
Interest due	797,028	3,469,128
Disposals	-	(898,305)
Discounts from lessor	-	(2,358,320)
Paid	<u>(1,215,167)</u>	<u>(4,389,295)</u>
Balance at the ending of the period / year	75,621,523	76,039,662
Less: current portion of lease liabilities	<u>(14,089,596)</u>	<u>(10,173,973)</u>
Non-current portion	<u><u>61,531,927</u></u>	<u><u>65,865,689</u></u>

**9 LONG-TERM LOAN**

The Group obtained a long-term loan amounting to SR 35.1 million in the form of a long-term finance lease to finance capital expansion. This loan is guaranteed with lands as a collateral (note 4). This loan is subject to annual interest rate of 8%.

The total finance charges related to this loan have been fully deducted in advance from the amount received. The amount withdrawn is to be repaid in quarterly installments. The long-term loan is denominated in Saudi riyals.

The loan payment will be finalized by 15 October 2024.

The Group had the following outstanding balances relating to this loan as at 31 March 2021 and 31 December 2020:

	<i>As at 31 March 2021</i>	<i>As at 31 December 2020</i>
	<u>SR</u>	<u>SR</u>
Long-term loan	26,415,007	27,415,007
Less: deferred finance costs	<u>(4,473,042)</u>	<u>(4,947,772)</u>
Net	21,941,965	22,467,235
Less: current portion	<u>(3,550,000)</u>	<u>(4,000,000)</u>
Non-current portion	<u><u>18,391,965</u></u>	<u><u>18,467,235</u></u>

The maturity schedule for long-term loan is as follows as of 31 March 2021 and 31 December 2020:

	<i>As at 31 March 2021</i>	<i>As at 31 December 2020</i>
	<u>SR</u>	<u>SR</u>
2021	3,000,000	4,000,000
2022	6,000,000	6,000,000
2023	7,000,000	7,000,000
2024	<u>10,415,007</u>	<u>10,415,007</u>
	<u><u>26,415,007</u></u>	<u><u>27,415,007</u></u>

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FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021****10 EMPLOYEE TERMINATION BENEFITS**

	<i>For the three- month period ended 31 March 2021</i>	<i>For the year ended 31 December 2020</i>
	<u>SR</u>	<u>SR</u>
Balance at 1 January	16,429,734	17,590,155
charge for the period / year	441,821	1,946,858
Actuarial remeasurement charged to OCI	-	2,233,473
Payments for the period / year	<b>(900,936)</b>	<b>(5,340,752)</b>
Ending balance for the period / year	<b><u>15,970,619</u></b>	<b><u>16,429,734</u></b>

**11 ZAKAT AND INCOME TAX**

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

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

	<i>For the three- month period ended 31 March SR</i>	<i>For the year ended 31 December 2020 SR</i>
Balance at 1 January	662,509	-
Charge for the period / year	-	1,192,132
Payments for the period / year	-	(529,623)
Ending balance for the period / year	<b><u>662,509</u></b>	<b><u>662,509</u></b>

**Outstanding assessments**Raydan Food Company

The Company finalized its zakat assessments until 31 December 2018.

The Company submitted its zakat declarations for the years ended on 31 December 2019 to 2020, and zakat certificates were received. The Company did not receive any inquiries or assessments for the mentioned years.

Raydan Kitchens and Restaurants Egypt

- Income taxes: the company has not been inspected until 31 March 2021.
- Value added taxes: The company was inspected until 31 December 2017, and the differences resulting from the examination were paid.
- Payroll taxes: The company has not been inspected until 31 March 2021.
- Discount and addition taxes: the company has not been inspected until 31 March 2021.
- Stamp Tax: The company has not been inspected until 31 March 2021.

**12 BASIC AND DILUTED EARNINGS PER SHARE**

The losses per share was calculated from the net loss for the three-month period ended 31 March 2021 and 2020 based on the number of shares outstanding at that date amounting to 22.5 million shares. The Group does not have diluting instruments.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021****13 SEGMENTS INFORMATION**

The Group is divided into business segments according to the nature of their products and services for the purpose of managing them. The Group has the following business segments:

- Traditional meals
- Other segments

The following is a summary of some of the financial information by business segments as at and for the period ended 31 March 2021 and the year ended 31 December 2020, which have been summarized by business segments mentioned above:

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

	Traditional meals	Other segments	Total
	SR	SR	SR
<b>Revenue</b>	<b>33,844,680</b>	<b>479,426</b>	<b>34,324,106</b>
<b>Cost of revenue</b>	<b>(37,183,456)</b>	-	<b>(37,183,456)</b>
<b>Administrative and selling expenses</b>	<b>(5,597,776)</b>	-	<b>(5,597,776)</b>
<b>Others</b>	<b>(422,402)</b>	-	<b>(422,402)</b>
<b>Net (loss) / profit</b>	<b>(9,355,954)</b>	<b>479,426</b>	<b>(8,879,528)</b>
<b>Capital expenditures</b>	<b>270,285</b>	-	<b>270,285</b>
<b>As at 31 March 2021:</b>			
<b>Investment in an associate</b>	-	<b>80,439,428</b>	<b>80,439,428</b>
<b>Total assets</b>	<b>326,895,395</b>	-	<b>326,895,395</b>
<b>Total liabilities</b>	<b>149,873,192</b>	-	<b>149,873,192</b>

**For the three-month period ended 31 March 2020:**

	Traditional meals	Other segments	Total
	SR	SR	SR
Revenue	48,683,790	-	48,683,790
Cost of revenue	(48,605,351)	-	(48,605,351)
Administrative and selling expenses	(5,891,502)	-	(5,891,502)
Share of result in associate	-	-	-
Others	(849,165)	-	(849,165)
Net loss	(6,662,228)	-	(6,662,228)
Capital expenditures	3,468,825	-	3,468,825
<b>As at 31 December 2020:</b>			
<b>Investment in an associate</b>	-	<b>80,439,428</b>	<b>80,439,428</b>
<b>Total assets</b>	<b>254,184,500</b>	<b>80,439,428</b>	<b>334,623,928</b>
<b>Total liabilities</b>	<b>148,723,000</b>	-	<b>148,723,000</b>

**Geographical sectors:**

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

	Western region	Other regions	Total
	SR	SR	SR
<b>As at 31 March 2021, and for the three-month period then ended:</b>			
<b>Revenue</b>	<b>31,734,334</b>	<b>2,589,772</b>	<b>34,324,106</b>
<b>Property, plant and equipment</b>	<b>151,460,191</b>	<b>12,902,909</b>	<b>164,363,100</b>
<b>For the three-month period ended 31 March 2020</b>			
Revenue	36,839,952	11,843,838	48,683,790
<b>As at 31 December 2020</b>			
Property, plant and equipment	153,882,150	13,108,317	166,990,467

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**14 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Group's financial assets consist of cash and cash equivalents, due from related parties and trade receivables. Its financial liabilities consist of trade payables, due to related parties, and long term loan. The fair values of financial instruments are not materially different from their book values. As at 31 March 2021, the Group did not hold any financial instruments measured at fair value.

**15 DATE OF AUTHORIZATION OF THE INTERIM CONDESED CONSLIDATED FINACNIAL STATEMENTS**

These interim condensed consolidated financial statements were authorized for issue by the Company's board of directors on 8 Shawal 1442H corresponding to 20 May 2021.