

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED) AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE SIX-MONTH PERIOD ENDED  
30 JUNE 2021**

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

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

**AND INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

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<b><u>Contents</u></b>	<b><u>Page</u></b>
Independent auditor's review report on the interim condensed consolidated statement	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial statements	6 - 13

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

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

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Raydan Food Company (the "Company"), a Saudi Joint Stock Company, and its subsidiary (hereinafter referred to as the "Group") as at 30 June 2021, and the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

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

**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 30 June 2021 and 31 December 2020 amounted to SR 79.2 million and SR 79.3 million, respectively. 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 review the 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 30 June 2021 and the Group's share of the Associate's net profit for the six-month period ended 30 June 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 for the impairment of property, plant and equipment as at 30 June 2021 and 31 December 2020, amounting to SR 161.6 million and SR 167 million, respectively. Also, management did not perform an assessment for the impairment of investment in an associate as at 30 June 2021 and 31 December 2020 amounting to SR 79.2 million and SR 79.3 million, respectively. Accordingly, we were unable to determine whether any adjustments to the book value of property, plant and equipment and investment in an associate were necessary.

**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 International Accounting Standards 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

**Baker Tilly MKM & Co.**

Certified Public Accountants

  
**Ayad O. Alseraihi**

License No. 405

Jeddah on 14 Muharram 1443H

Corresponding to 22 August 2021





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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

		<i>30 June 2021</i>	<i>31 December</i>
		<i>(Unaudited)</i>	<i>2020 (Audited)</i>
		<i>SR</i>	<i>SR</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			(Restated - note 15)
Property, plant and equipment	4	161,611,472	166,990,467
Intangible assets		281,252	351,343
Right of use assets	5	62,894,223	66,438,649
Investment in an associate	6	79,215,492	79,321,352
		<b>304,002,439</b>	<b>313,101,811</b>
<b>Current assets</b>			
Inventories		2,775,489	2,638,863
Trade receivables		1,744,672	1,423,235
Due from related parties	7	7,459,081	6,216,929
Prepayments and other receivables		3,680,628	4,742,898
Cash and cash equivalents		1,564,903	5,382,116
		<b>17,224,773</b>	<b>20,404,041</b>
<b>TOTAL ASSETS</b>		<b>321,227,212</b>	<b>333,505,852</b>
<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		(81,178,340)	(68,159,301)
Foreign currency translation reserve		513,168	506,657
<b>Equity attributable to the shareholders of the Company</b>		<b>171,748,626</b>	<b>184,761,154</b>
Non-controlling interest		20,637	21,698
<b>Total equity</b>		<b>171,769,263</b>	<b>184,782,852</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	8	61,531,927	65,865,689
Long-term loan	9	16,408,628	18,467,235
Employee termination benefits	10	16,007,980	16,429,734
		<b>93,948,535</b>	<b>100,762,658</b>
<b>Current liabilities</b>			
Current portion of lease liabilities	8	13,421,544	10,173,973
Current portion of long-term loan	9	5,000,000	4,000,000
Trade payables		25,276,108	21,916,049
Due to related parties	7	11,149,253	11,207,811
Zakat payable	11	662,509	662,509
		<b>55,509,414</b>	<b>47,960,342</b>
<b>Total liabilities</b>		<b>149,457,949</b>	<b>148,723,000</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>321,227,212</b>	<b>333,505,852</b>



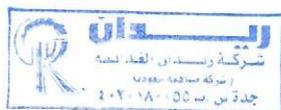
The accompanying notes form an integral part of these interim condensed consolidated financial statements

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2021	2020	2021	2020
		SR	SR	SR	SR
Revenue from contracts with customers		34,978,256	23,414,340	69,302,362	72,098,130
Cost of revenue		(34,574,377)	(27,372,589)	(71,757,833)	(75,977,940)
<b>Gross profit / (Loss)</b>		<b>403,879</b>	<b>(3,958,249)</b>	<b>(2,455,471)</b>	<b>(3,879,810)</b>
Selling and marketing expenses		(324,483)	(867,132)	(879,004)	(1,327,152)
General and administrative expenses		(3,659,465)	(3,045,782)	(8,702,720)	(8,471,222)
Other operating income		760,921	623,872	1,477,301	1,413,656
<b>Operating loss</b>		<b>(2,819,148)</b>	<b>(7,247,291)</b>	<b>(10,559,894)</b>	<b>(12,264,528)</b>
Share of results in an associate	6	(105,860)	-	(105,860)	-
Finance costs		(1,131,549)	(1,592,483)	(2,270,331)	(2,758,106)
<b>Loss before zakat and income tax</b>		<b>(4,056,557)</b>	<b>(8,839,774)</b>	<b>(12,936,085)</b>	<b>(15,022,634)</b>
Zakat and income tax	11	(84,080)	-	(84,080)	(479,368)
<b>Net loss</b>		<b>(4,140,637)</b>	<b>(8,839,774)</b>	<b>(13,020,165)</b>	<b>(15,502,002)</b>
<b>Attributable to:</b>					
The Company's shareholders		(4,140,151)	(8,838,369)	(13,019,039)	(15,493,472)
Non-controlling interests		(486)	(1,405)	(1,126)	(8,530)
		(4,140,637)	(8,839,774)	(13,020,165)	(15,502,002)
<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		5,773	(70,068)	6,576	(8,753)
<b>Total other comprehensive income / (loss)</b>		<b>5,773</b>	<b>(70,068)</b>	<b>6,576</b>	<b>(8,753)</b>
<b>Total comprehensive loss</b>		<b>(4,134,864)</b>	<b>(8,909,842)</b>	<b>(13,013,589)</b>	<b>(15,510,755)</b>
<b>Attributable to:</b>					
The Company's shareholders		(4,134,435)	(8,906,939)	(13,012,528)	(15,502,138)
Non-controlling interests		(429)	(2,903)	(1,061)	(8,617)
		(4,134,864)	(8,909,842)	(13,013,589)	(15,510,755)
<b>Basic and diluted loss per share:</b>					
From net loss	12	(0.18)	(0.39)	(0.58)	(0.69)



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 SIX-MONTH PERIOD ENDED 30 JUNE 2021**

		<i>Equity attributable to the shareholders of the Company</i>					<i>Equity attributable to the shareholders of the Company</i>		<i>Non-controlling interest</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>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<b>For the six-month period ended 30 June 2021:</b>												
As at 31 December 2020 (unadjusted)		225,000,000	27,413,798	(67,041,225)	506,657	185,879,230	21,698	185,900,928	-	-	(1,118,076)	185,900,928
Restatement of comparative figures (note 15)		-	-	(1,118,076)	-	(1,118,076)	-	(1,118,076)	-	-	-	(1,118,076)
As at 31 December 2020 (restated)		225,000,000	27,413,798	(68,159,301)	506,657	184,761,154	21,698	184,782,852	-	-	-	184,782,852
Loss for the period		-	-	(13,019,039)	-	(13,019,039)	(1,126)	(13,020,165)	-	-	-	(13,020,165)
Other comprehensive income		-	-	-	6,511	6,511	65	6,576	-	-	-	6,576
Total comprehensive loss		-	-	(13,019,039)	6,511	(13,012,528)	(1,061)	(13,013,589)	-	-	-	(13,013,589)
As at 30 June 2021		225,000,000	27,413,798	(81,178,340)	513,168	171,748,626	20,637	171,769,263	-	-	-	171,769,263
<b>For the six-month period ended 30 June 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	-	-	-	271,418,063
Loss for the period		-	-	(15,493,472)	-	(15,493,472)	(8,530)	(15,502,002)	-	-	-	(15,502,002)
Other comprehensive loss		-	-	-	(8,666)	(8,666)	(87)	(8,753)	-	-	-	(8,753)
Total comprehensive loss		-	-	(15,493,472)	(8,666)	(15,502,138)	(8,617)	(15,510,755)	-	-	-	(15,510,755)
As at 30 June 2020		225,000,000	27,413,798	3,026,210	443,276	255,883,284	24,024	255,907,308	-	-	-	255,907,308




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

	For the six-month period ended 30	
	June	
	2021	2020
	SR	SR
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(13,020,165)	(15,502,002)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	5,939,257	7,160,851
Depreciation of right of use assets	3,544,426	4,348,198
Amortization of intangible assets	70,091	176,271
Finance costs incurred	2,270,331	2,758,106
Loss from disposal of property, plant and equipment	3,356	56,516
Share of result from an associate	105,860	-
Employee termination benefits incurred	829,726	1,462,987
Zakat and income tax charges	84,080	479,368
	(173,038)	940,295
Changes in working capital:		
Inventories	(136,626)	1,017,617
Trade receivables	(321,437)	(385,766)
Due from related parties	(1,242,152)	(892,058)
Prepayments and other receivables	1,062,270	152,909
Trade payables	3,360,059	5,660,140
Due to related parties	(58,558)	(447,193)
	2,490,518	6,045,944
Employee termination benefits paid	(1,251,480)	(1,222,677)
Zakat and income tax paid	(84,080)	(479,368)
<b>Net cash flows from operating activities</b>	<b>1,154,958</b>	<b>4,343,899</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(618,972)	(3,790,576)
Proceeds from disposed of property, plant and equipment	321,308	-
<b>Net cash flows used in investing activities</b>	<b>(297,664)</b>	<b>(3,790,576)</b>
<b>FINANCING ACTIVITIES</b>		
Loan repayments	(2,000,000)	-
Payment of lease liabilities	(2,681,083)	(1,335,537)
<b>Net cash flows used in financing activities</b>	<b>(4,681,083)</b>	<b>(1,335,537)</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,823,789)</b>	<b>(782,214)</b>
Cash and cash equivalents at 1 January	5,382,116	2,228,194
Foreign currency translation impact on cash and cash equivalents	6,576	(8,753)
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>1,564,903</b>	<b>1,437,227</b>
Unwinding of the discount on lease liabilities	1,594,892	1,612,769
Amortization of deferred finance cost	941,393	1,145,337




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 SIX-MONTH PERIOD ENDED 30 JUNE 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 11 Jumada II 1429H corresponding to 15 June 2008.

On 26 February 2017, the Company obtained 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 Capital Market Authority approval to transfer Raydan Food Company from the parallel market to the main market and accordingly list its shares in the main capital market.

On 2 May 2021, the Capital Market Authority approved the request to increase the Company's capital by SR 112.5 million through issuing preemptive rights share. Accordingly, the Company's capital will be SR 337.5 million. It is expected to start the insurance of preemptive rights on 19 August 2021.

Subsequent to the date of the interim condensed consolidated statement of financial position, The Company amended its By-laws to reflect the increase in capital, and the legal procedures were completed and the amended By-laws was issued on 3 August 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 (the "Financial 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 June 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 consolidated 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 interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the applied policies and the reported amounts of revenues, expenses, assets and liabilities. Although these judgments and estimates are based on the best currently available information and data to management, actual results may differ from these estimates. Estimates and underlying 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 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 SIX-MONTH PERIOD ENDED 30 JUNE 2021****3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)*****Going concern basis of accounting***

The interim condensed 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 interim condensed consolidated financial statements, the Group incurred a net loss during the period ended 30 June 2021. Also, the Group's current liabilities exceeded its current assets as at 30 June 2021. The ability of the Group to continue its operations depends on the ability of generating more cash flow from its operation and the success to increase its capital through preemptive share.

The Company has successfully issued the preemptive rights on 9 August 2021. Through this issuance, the Group will receive approximately SR 107.6 million after deducting the costs of the issuance. This will resolve the deficit in working capital as at 30 June 2021 and will enable the Group to continue its business for the foreseeable future. Therefore, the interim condensed consolidated financial statements for the period ended on 30 June 2021 have been prepared on the going concern basis.

**4 PROPERTY, PLANT AND EQUIPMENT**

	<i>For the six- month period ended 30 June 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	<b>270,818,167</b>	340,061,656
Additions during the period / year	<b>884,926</b>	2,654,785
Disposals during the period / year	<b>(342,451)</b>	(71,898,274)
Balance at the ending of the period / year	<b><u>271,360,642</u></b>	<u>270,818,167</u>
<b>Accumulated depreciation:</b>		
Balance at the beginning of the period / year	<b>103,827,700</b>	99,203,946
Charge during the period / year	<b>5,939,257</b>	14,289,489
Impairment during the period / year	-	21,588,534
Disposals during period / year	<b>(17,787)</b>	(31,254,269)
Balance at the ending of the period / year	<b><u>109,749,170</u></b>	<u>103,827,700</u>
Net book value at the ending of the period / year	<b><u>161,611,472</u></b>	<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 the 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 265,954 were capitalized during the period ended on 30 June 2021.

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****5 RIGHT-OF-USE ASSETS**

	<u>Buildings</u>	<u>Total</u>
	<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 from lessor	(2,358,320)	(2,358,320)
At 31 December 2020	81,313,793	81,313,793
<b>Additions</b>	-	-
<b>At 30 June 2021</b>	<b>81,313,793</b>	<b>81,313,793</b>
<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>	<b>3,544,426</b>	<b>3,544,426</b>
<b>At 30 June 2021</b>	<b>18,419,570</b>	<b>18,419,570</b>
<b>Net book value:</b>		
<b>At 30 June 2021</b>	<b>62,894,223</b>	<b>62,894,223</b>
At 31 December 2020	66,438,649	66,438,649

The Group leases warehouses and branches' site. The term of these leases ranges from 3 to 30 years.

**6 INVESTMENT IN AN ASSOCIATE****Investment in Al-Jonah Sweets and Outside Catering Limited**

Al-Jonah Sweets and Outside Catering limited (the "Associate"). 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 the Associate Company as at 30 June 2021 is 30% (31 December 2020: 30%) and the investment movement is as follows:

	<i>For the six- month period ended 30 June 2021</i>	<i>For the year ended 31 December 2020</i>
	<i>SR</i>	<i>SR</i>
Balance at the beginning of the period / year	79,321,352	82,122,665
Share of result from an associate	(105,860)	(2,801,313)
Balance at the ending of the period / year	<b>79,215,492</b>	79,321,352

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****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 at 30 June 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>
		<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
<b>Sister companies</b>					
Al-Jonah Sweets and	<b>2021</b>	<b>1,184,500</b>	<b>428,983</b>	<b>7,459,081</b>	<b>10,319,640</b>
Outside Catering Ltd	2020	2,732,382	507,171	6,216,929	9,891,571
Farah hall for parties	<b>2021</b>	<b>491,279</b>	-	-	<b>667,316</b>
	2020	2,313,258	-	-	1,078,500
<b>Shareholders</b>					
Mansour Al-Sulami	<b>2021</b>	-	-	-	<b>162,297</b>
	2020	-	-	-	237,740
<b>Total</b>	<b>2021</b>			<b>7,459,081</b>	<b>11,149,253</b>
	2020			<b>6,216,929</b>	<b>11,207,811</b>

Compensation of key management personnel comprise the following:

	<i>The nature of the transaction</i>	<i>For the six- month period ended 30 June 2021</i>	<i>For the year ended 31 December 2020</i>
		<b>SR</b>	<b>SR</b>
Key management	Salaries, allowances and commission	<b>1,520,679</b>	3,311,395

**8 LEASE LIABILITIES**

	<i>For the six- month period ended 30 June 2021</i>	<i>For the year ended 31 December 2020</i>
	<b>SR</b>	<b>SR</b>
Balance at the beginning of the period / year	<b>76,039,662</b>	76,815,518
Additions during the period / year	-	3,400,936
Interest due	<b>1,594,892</b>	3,469,128
Disposals	-	(898,305)
Discounts from lessor	-	(2,358,320)
Paid	<b>(2,681,083)</b>	(4,389,295)
Balance at the ending of the period / year	<b>74,953,471</b>	76,039,662
Less: current portion of lease liabilities	<b>(13,421,544)</b>	(10,173,973)
Non-current portion of lease liabilities	<b>61,531,927</b>	65,865,689

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****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 costs 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 is repaid in quarterly installments ending on 15 October 2024.

The Group had the following outstanding balances relating to this loan as at 30 June 2021 and 31 December 2020:

	<i>As at 30 June</i>	<i>As at 31</i>
	<i>2021</i>	<i>December 2020</i>
	<i>SR</i>	<i>SR</i>
Long-term loan	<b>25,415,007</b>	27,415,007
Less: deferred finance costs	<b>(4,006,379)</b>	(4,947,772)
Net	<b>21,408,628</b>	22,467,235
Less: current portion	<b>(5,000,000)</b>	(4,000,000)
Non-current portion	<b>16,408,628</b>	18,467,235

The maturity schedule for long-term loan is as follows as at 30 June 2021 and 31 December 2020:

	<i>As at 30 June</i>	<i>As at 31</i>
	<i>2021</i>	<i>December 2020</i>
	<i>SR</i>	<i>SR</i>
2021	<b>5,000,000</b>	4,000,000
2022	<b>6,500,000</b>	6,000,000
2023	<b>7,500,000</b>	7,000,000
2024	<b>6,415,007</b>	10,415,007
	<b>25,415,007</b>	27,415,007

**10 EMPLOYEE TERMINATION BENEFITS**

	<i>For the six-</i>	<i>For the year</i>
	<i>month period</i>	<i>ended 31</i>
	<i>ended 30 June</i>	<i>December 2020</i>
	<i>2021</i>	<i>December 2020</i>
	<i>SR</i>	<i>SR</i>
Balance at 1 January	<b>16,429,734</b>	17,590,155
Charge for the period / year	<b>829,726</b>	1,946,858
Actuarial remeasurement charged to OCI	-	2,233,473
Payments during the period / year	<b>(1,251,480)</b>	(5,340,752)
Ending balance for the period / year	<b>16,007,980</b>	16,429,734

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****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 six- month period ended 30 June 2021</i>	<i>For the year ended 31 December 2020</i>
	<i>SR</i>	<i>SR</i>
Balance at 1 January	<b>662,509</b>	-
Charge for the period / year	<b>84,080</b>	1,192,132
Payments during the period / year	<b>(84,080)</b>	(529,623)
Ending balance for the period / year	<b>662,509</b>	662,509

**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 and 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 30 June 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 30 June 2021.
- Discount and addition taxes: the company has not been inspected until 30 June 2021.
- Stamp Tax: The company has not been inspected until 30 June 2021.

**12 BASIC AND DILUTED EARNINGS PER SHARE**

The losses per share was calculated from the net loss for the six-month period ended 30 June 2021 and 2020 based on the number of shares outstanding at that date which amounting to 22.5 million shares. The Coppany does not have diluting instruments.

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 30 June 2021 and the year ended 31 December 2020, which have been summarized by business segments mentioned above:

**For the six-month period ended 30 June 2021:**

	<u>Traditional meals</u>	<u>Other segments</u>	<u>Total</u>
	SR	SR	SR
<b>Revenue</b>	<b>69,302,362</b>	-	<b>69,302,362</b>
<b>Cost of revenue</b>	<b>(71,757,833)</b>	-	<b>(71,757,833)</b>
<b>Administrative and selling expenses</b>	<b>(9,581,724)</b>	-	<b>(9,581,724)</b>
<b>Others</b>	<b>(898,890)</b>	-	<b>(898,890)</b>
<b>Net loss</b>	<b>(12,936,085)</b>	-	<b>(12,936,085)</b>
<b>Capital expenditures</b>	<b>884,926</b>	-	<b>884,926</b>
<b>As at 30 June 2021:</b>			
<b>Investment in an associate</b>	-	<b>79,215,492</b>	<b>79,215,492</b>
<b>Total assets</b>	<b>242,011,720</b>	<b>79,215,492</b>	<b>321,227,212</b>
<b>Total liabilities</b>	<b>149,457,949</b>	-	<b>149,457,949</b>

**For the six-month period ended 30 June 2020:**

	<u>Traditional meals</u>	<u>Other segments</u>	<u>Total</u>
	SR	SR	SR
Revenue	72,098,130	-	72,098,130
Cost of revenue	(75,977,940)	-	(75,977,940)
Administrative and selling expenses	(9,796,739)	-	(9,796,739)
Share of result in an associate	-	-	-
Others	(1,825,453)	-	(1,825,453)
<b>Net loss</b>	<b>(15,502,002)</b>	-	<b>(15,502,002)</b>
<b>Capital expenditures</b>	<b>3,790,576</b>	-	<b>3,790,576</b>

**As at 31 December 2020:**

<b>Investment in an associate</b>	-	<b>82,122,665</b>	<b>82,122,665</b>
<b>Total assets</b>	<b>333,159,877</b>	<b>82,122,665</b>	<b>415,282,542</b>
<b>Total liabilities</b>	<b>159,375,234</b>	-	<b>159,375,234</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.

	<u>Western region</u>	<u>Other regions</u>	<u>Total</u>
	SR	SR	SR
<b>As at 30 June 2021, and for the six-month period then ended:</b>			
<b>Revenue</b>	<b>63,632,429</b>	<b>5,669,933</b>	<b>69,302,362</b>
<b>Property, plant and equipment</b>	<b>148,925,929</b>	<b>12,685,543</b>	<b>161,611,472</b>
<b>For the six-month period ended 30 June 2020</b>			
Revenue	66,164,193	5,933,937	72,098,130
<b>As at 31 December 2020</b>			
Property, plant and equipment	153,882,150	13,108,317	166,990,467

**RAYDAN FOOD COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021****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 30 June 2021, the Group did not hold any financial instruments measured at fair value.

**15 PREVIOUS YEARS ADJUSTMENTS**

The Associate issued its audited financial statements for the year ended on 31 December 2020 on 30 June 2021. These financial statements showed additional losses amounting to SR 1,118,076 in excess of what was recognized by the Group during the year ended 31 December 2020.

Therefore, the comparative figures as at 31 December 2020 have been restated as follows:

	<u>Before adjustment</u>	<u>Adjustment</u>	<u>After adjustment</u>
	SR	SR	SR
Investment in an associate	80,439,428	(1,118,076)	<b>79,321,352</b>
Accumulated losses	<u>(67,041,225)</u>	<u>(1,118,076)</u>	<u><b>(68,159,301)</b></u>

The loss for the year ended 31 December 2020 has also been adjusted as follows:

	<u>Before adjustment</u>	<u>Adjustment</u>	<u>After adjustment</u>
	SR	SR	SR
Share of result from an associate	(1,683,237)	(1,118,076)	<b>(2,801,313)</b>
Loss for the year	<u>(83,338,929)</u>	<u>(1,118,076)</u>	<u><b>(84,457,005)</b></u>

**16 DATE OF AUTHORIZATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were authorized for issue by the Company's board of directors on 11 Muharram 1443H corresponding to 19 August 2021.