

RAYDAN FOOD COMPANY
(A Saudi Joint Stock Company)

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

RAYDAN FOOD COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021

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

**To the Shareholders of
Raydan Food Company
a Saudi Joint Stock Company
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 September 2021, and the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-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 September 2021 and 31 December 2020 amounted to SR 71.8 million and SR 71.8 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, because we were unable to review the Associate's accounts. Also, we were unable to perform appropriate review procedures regarding the balance of the Group's investment in the Associate as at 30 September 2021 and the Group's share of the Associate's net profit for the three month and nine-month periods ended 30 September 2021 and the three month and nine-month periods ended 30 September 2020, because we were unable to review 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 September 2021 and 31 December 2020, amounting to SR 149,4 million and SR 167,0 million, respectively. Also, management did not perform an assessment for the impairment of investment in an associate as at 30 September 2021 and 31 December 2020 amounting to SR 71.8 million and SR 71.8 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 5 Rabi' II 1443H

Corresponding to 10 November 2021



RAYDAN FOOD COMPANY

(A Saudi Joint Stock Company)

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

		<i>30 September 2021 (Unaudited)</i>	<i>31 December 2020 (Audited)</i>
		<i>SR</i>	<i>SR</i>
ASSETS			
Non-current assets			(Restated - note 16)
Property, plant and equipment	4	149,368,802	166,990,467
Intangible assets		244,733	351,343
Right of use assets	5	50,979,156	66,438,649
Investment in an associate	6	71,842,950	71,823,101
		<u>272,435,641</u>	<u>305,603,560</u>
Current assets			
Inventories		2,345,484	2,638,863
Trade receivables		2,143,485	1,423,235
Due from related parties	7	8,094,482	6,216,929
Prepayments and other receivables		3,805,869	4,742,898
Cash and cash equivalents		85,237,969	5,382,116
		<u>101,627,289</u>	<u>20,404,041</u>
Non-current assets held for sale	13	1,641,018	-
		<u>103,268,307</u>	<u>20,404,041</u>
TOTAL ASSETS		<u>375,703,948</u>	<u>326,007,601</u>
EQUITY AND LIABILITIES			
Equity			
Capital	1	337,500,000	225,000,000
Statutory reserve		27,413,798	27,413,798
Accumulated losses		(109,235,260)	(75,657,552)
Foreign currency translation reserve		506,305	506,657
Equity attributable to the shareholders of the Company		<u>256,184,843</u>	<u>177,262,903</u>
Non-controlling interest		11,018	21,698
Total equity		<u>256,195,861</u>	<u>177,284,601</u>
Liabilities			
Non-current liabilities			
Lease liabilities	8	46,677,481	65,865,689
Long-term loan	9	15,971,740	18,467,235
Employee termination benefits	10	15,891,061	16,429,734
		<u>78,540,282</u>	<u>100,762,658</u>
Current liabilities			
Current portion of lease liabilities	8	11,267,618	10,173,973
Current portion of long-term loan	9	4,900,573	4,000,000
Trade payables		12,793,592	21,916,049
Due to related parties	7	11,343,513	11,207,811
Zakat payable	11	662,509	662,509
		<u>40,967,805</u>	<u>47,960,342</u>
Total liabilities		<u>119,508,087</u>	<u>148,723,000</u>
TOTAL EQUITY AND LIABILITIES		<u>375,703,948</u>	<u>326,007,601</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-MONTHS AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2021	2020	2021	2020
		SR	SR	SR	SR
Continuing operations :					
Revenue from contracts with customers		29,832,844	28,164,545	95,910,213	97,001,259
Cost of revenue		(34,732,781)	(29,954,513)	(103,442,536)	(102,501,304)
Gross profit / (Loss)		(4,899,937)	(1,789,968)	(7,532,323)	(5,500,045)
Selling and marketing expenses		(532,165)	(306,639)	(1,411,169)	(1,633,791)
General and administrative expenses		(4,849,215)	(5,453,355)	(13,138,560)	(13,589,975)
Impairment loss on property, plant and equipment	4	(4,009,987)	(21,588,534)	(4,009,987)	(21,588,534)
Loss from on property, plant and equipment	4	(5,662,589)	(6,017,257)	(5,662,589)	(6,017,257)
Gain from right of use assets disposal	5	1,802,422	-	1,802,422	-
Other operating income		2,950,507	(231,569)	4,304,080	1,051,354
Operating loss		(15,200,964)	(35,387,322)	(25,648,126)	(47,278,248)
Share of results in an associate	6	125,709	(1,683,237)	19,849	(1,683,237)
Finance costs		(1,443,976)	(1,084,514)	(3,714,306)	(3,842,620)
Loss before zakat		(16,519,231)	(38,155,073)	(29,342,583)	(52,804,105)
Zakat	11	-	(51,544)	(84,080)	(51,544)
Net loss from continued operations		(16,519,231)	(38,206,617)	(29,426,663)	(52,855,649)
Discontinued operations:					
Loss from discontinued operations, after income taxes	13	(955,242)	(125,920)	(1,067,975)	(978,890)
Net loss		(17,474,473)	(38,332,537)	(30,494,638)	(53,834,539)
Attributable to:					
The Company's shareholders		(17,464,919)	(38,331,278)	(30,483,958)	(53,824,749)
Non-controlling interests		(9,554)	(1,259)	(10,680)	(9,790)
		(17,474,473)	(38,332,537)	(30,494,638)	(53,834,539)
Other Comprehensive Income (OCI)					
OCI that may be reclassified to profit or loss subsequently:					
Exchange differences on translation of foreign operations		(6,928)	57,403	(352)	49,231
Total other comprehensive income / (loss)		(6,928)	57,403	(352)	49,231
Total comprehensive loss		(17,481,401)	(38,275,134)	(30,494,990)	(53,785,308)
Attributable to:					
The Company's shareholders		(17,471,782)	(38,273,788)	(30,484,310)	(53,776,012)
Non-controlling interests		(9,619)	(1,346)	(10,680)	(9,296)
		(17,481,401)	(38,275,134)	(30,494,990)	(53,785,308)
Basic and diluted loss per share:					
from continued operations	12	(0.69)	(1.70)	(1.23)	(2.35)
From net loss	12	(0.73)	(1.70)	(1.27)	(2.39)

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

RAYDAN FOOD COMPANY

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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</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>	
For the nine-month period ended 30 September 2021:							
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
Restatement of comparative figures (note 16)	-	-	(8,616,327)	-	(8,616,327)	-	(8,616,327)
As at 31 December 2020 (restated)	225,000,000	27,413,798	(75,657,552)	506,657	177,262,903	21,698	177,284,601
Loss for the period	-	-	(30,483,958)	-	(30,483,958)	(10,680)	(30,494,638)
Other comprehensive income	-	-	-	(352)	(352)	-	(352)
Total comprehensive loss	-	-	(30,483,958)	(352)	(30,484,310)	(10,680)	(30,494,990)
Increase in capital (note 1)	112,500,000	-	-	-	112,500,000	-	112,500,000
Cost related to capital increase	-	-	(3,093,750)	-	(3,093,750)	-	(3,093,750)
As at 30 September 2021	337,500,000	27,413,798	(109,235,260)	506,305	256,184,843	11,018	256,195,861
For the nine-month period ended 30 September 2020:							
As at 1 January 2020 (unadjusted)	225,000,000	27,413,798	18,519,682	451,942	271,385,422	32,641	271,418,063
Restatement of comparative figures (note 16)	-	-	(7,498,251)	-	(7,498,251)	-	(7,498,251)
As at 1 January 2020 (restated)	225,000,000	27,413,798	11,021,431	451,942	263,887,171	32,641	263,919,812
Loss for the period	-	-	(53,824,749)	-	(53,824,749)	(9,790)	(53,834,539)
Other comprehensive loss	-	-	-	48,737	48,737	494	49,231
Total comprehensive loss	-	-	(53,824,749)	48,737	(53,776,012)	(9,296)	(53,785,308)
As at 30 September 2020	225,000,000	27,413,798	(42,803,318)	500,679	210,111,159	23,345	210,134,504

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021**

	For the nine-month period ended	
	30 September	
	2021	2020
	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Loss for the period	(30,494,638)	(53,834,539)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	9,017,305	10,579,861
Depreciation of right of use assets	5,093,328	6,491,823
Impairment loss on property, plant and equipment	4,009,987	21,588,534
Amortization of intangible assets	106,610	264,406
Finance costs incurred	3,714,306	3,842,620
Loss from disposal of property, plant and equipment	5,662,589	6,017,257
Gain from disposal of right of use assets	(1,802,422)	-
Share of result from an associate	(19,849)	1,683,237
Employee termination benefits incurred	1,217,631	1,946,858
Zakat and income tax charges	84,080	528,485
	<u>(3,411,073)</u>	<u>(891,458)</u>
Changes in working capital:		
Inventories	293,379	1,393,602
Trade receivables	(720,250)	(263,994)
Due from related parties	(1,875,595)	(1,253,561)
Prepayments and other receivables	937,029	2,853,007
Trade payables	(9,122,457)	7,028,637
Due to related parties	133,744	(631,148)
	<u>(13,765,223)</u>	<u>8,235,085</u>
Employee termination benefits paid	(1,756,304)	(3,929,276)
Zakat and income tax paid	(84,080)	(528,485)
Net cash flows (used in) / from operating activities	<u>(15,605,607)</u>	<u>3,777,324</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,709,234)	(3,874,113)
Proceeds from disposed of property, plant and equipment	-	5,082,995
Net cash flows (used in) / from investing activities	<u>(2,709,234)</u>	<u>1,208,882</u>
FINANCING ACTIVITIES		
Loan repayments	(3,000,000)	(3,800,000)
Payment of lease liabilities	(8,235,204)	(2,073,096)
Increase capital	112,500,000	-
Cost related to capital increase	(3,093,750)	-
Net cash flows from / (used in) financing activities	<u>98,171,046</u>	<u>(5,873,096)</u>
Net change in cash and cash equivalents	<u>79,856,205</u>	<u>(886,890)</u>
Cash and cash equivalents at 1 January	5,382,116	2,228,194
Foreign currency translation impact on cash and cash equivalents	(352)	49,231
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u><u>85,237,969</u></u>	<u><u>1,390,535</u></u>
Unwinding of the discount on lease liabilities	2,309,228	-
Amortization of deferred finance cost	1,405,078	-
Assets and liabilities transferred to assets held for sale	1,641,018	-

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2021

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 is SR 337.5 million. The Company has finalized the insurance of preemptive rights on 25 August 2021. The Company incurred transaction costs related to the process of capital increase amounting to SR 3.2 which was reduced from the retained earnings.

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 September 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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 September 2021. Also, the Group's accumulated losses exceeded 30% of its capital as at 30 September 2021. The ability of the Group to continue its operations depends on the ability of generating more cash flow from its operation.

The Company has successfully issued the preemptive rights on 9 August 2021. Through this issuance, the Group have received approximately SR 109.1 million after deducting the costs of the issuance. This should resolved the accumulated losses as at 30 Sep 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 September 2021 have been prepared on the going concern basis.

4 PROPERTY, PLANT AND EQUIPMENT

	<i>For the nine- month period ended 30 September</i>	<i>For the year ended 31 December 2020</i>
	<i>SR</i>	<i>SR</i>
Cost:		
Balance at the beginning of the period / year	270,818,167	340,061,656
Additions during the period / year	2,709,234	2,654,785
Disposals during the period / year	(10,450,654)	(71,898,274)
Transfer to assets held for sale (note 13)	(4,923,963)	-
Balance at the ending of the period / year	<u>258,152,784</u>	<u>270,818,167</u>
Accumulated depreciation:		
Balance at the beginning of the period / year	103,827,700	99,203,946
Charge during the period / year	9,017,305	14,289,489
Impairment during the period / year	4,009,987	21,588,534
Disposals during period / year	(4,788,065)	(31,254,269)
Transfer to assets held for sale (note 13)	(3,282,945)	-
Balance at the ending of the period / year	<u>108,783,982</u>	<u>103,827,700</u>
Net book value at the ending of the period / year	<u>149,368,802</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 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).

-The impairment during the three-month and nine-month periods ending on September 30 represent the impairment in property, plant and equipment of branches that were closed during the period. While the impairment during the year ending on 31 December 2020 represent the drop in the fair value for part of the lands below its book value.

RAYDAN FOOD COMPANY

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

5 RIGHT-OF-USE ASSETS

	<u>Buildings</u>	<u>Total</u>
	<i>SR</i>	<i>SR</i>
Cost:		
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
Disposals	(14,825,172)	(14,825,172)
At 30 September 2021	66,488,621	66,488,621
Accumulated depreciation:		
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
Charge for the period	5,093,328	5,093,328
Disposals	(4,459,007)	(4,459,007)
At 30 September 2021	15,509,465	15,509,465
Net book value:		
At 30 September 2021	50,979,156	50,979,156
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 September 2021 is 30% (31 December 2020: 30%) and the investment movement is as follows:

	<i>For the nine- month period ended 30 September 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	71,823,101	74,624,414
Share of result from an associate	19,849	(2,801,313)
Balance at the ending of the period / year	71,842,950	71,823,101

(Restated - note 16)

RAYDAN FOOD COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 September 2021 and 31 December 2020:

		Rent / sales to related parties	Purchases from related parties	Amounts due from related parties	Amounts due to related parties
		SR	SR	SR	SR
Sister companies					
Al-Jonah Sweets and	2021	1,876,553	609,973	8,094,482	10,501,621
Outside Catering Ltd	2020	2,732,382	507,171	6,216,929	9,891,571
Farah hall for parties	2021	591,855	-	-	839,934
	2020	2,313,258	-	-	1,078,500
Al Qalzam for food Co.	2021	-	1,958	-	1,958
	2020	-	-	-	-
Shareholders					
Mansour Al-Salami	2021	-	-	-	-
	2020	-	-	-	237,740
Total	2021			8,094,482	11,343,513
	2020			6,216,929	11,207,811

Compensation of key management personnel comprise the following:

	<i>The nature of the transaction</i>	<i>For the nine- month period ended 30 September 2021</i>	<i>For the year ended 31 December 2020</i>
		<i>SR</i>	<i>SR</i>
Key management	Salaries, allowances and commission	2,309,659	3,311,395

8 LEASE LIABILITIES

	<i>For the nine- month period ended 30 September 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	76,039,662	76,815,518
Additions during the period / year	-	3,400,936
Interest due	2,309,228	3,469,128
Disposals	(12,168,587)	(898,305)
Discounts from lessor	-	(2,358,320)
Paid	(8,235,204)	(4,389,295)
Balance at the ending of the period / year	57,945,099	76,039,662
Less: current portion of lease liabilities	(11,267,618)	(10,173,973)
Non-current portion of lease liabilities	46,677,481	65,865,689

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 effective 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 September 2021 and 31 December 2020:

	<i>As at 30</i>	<i>As at 31</i>
	<i>September 2021</i>	<i>December 2020</i>
	<i>SR</i>	<i>SR</i>
Long-term loan	24,415,007	27,415,007
Less: deferred finance costs	(3,542,694)	(4,947,772)
Net	20,872,313	22,467,235
Less: current portion	(4,900,573)	(4,000,000)
Non-current portion	15,971,740	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</i>	<i>As at 31</i>
	<i>September 2021</i>	<i>December 2020</i>
	<i>SR</i>	<i>SR</i>
2021	4,900,573	4,000,000
2022	6,500,000	6,000,000
2023	7,500,000	7,000,000
2024	5,514,434	10,415,007
	24,415,007	27,415,007

10 EMPLOYEE TERMINATION BENEFITS

	<i>For the nine-</i>	<i>For the year</i>
	<i>month period</i>	<i>ended 31</i>
	<i>ended 30</i>	<i>ended 31</i>
	<i>September 2021</i>	<i>December 2020</i>
	<i>SR</i>	<i>SR</i>
Balance at 1 January	16,429,734	17,590,155
Charge for the period / year	1,217,631	1,946,858
Actuarial remeasurement charged to OCI	-	2,233,473
Payments during the period / year	(1,756,304)	(5,340,752)
Ending balance for the period / year	15,891,061	16,429,734

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

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 receive inquiries and replies was provided, no assessments for the mentioned years was received.

Raydan Kitchens and Restaurants Egypt

- Income taxes: the company has not been inspected until 31 December 2021.

12 BASIC AND DILUTED EARNINGS PER SHARE

The losses per share was calculated from the net loss for the nine-month period ended 30 September 2021 and 2020 based on the average number of shares outstanding at that date which amounting to SR 24,0 million shares (2020: SR 22.5 million shares). The Company does not have diluting instruments.

13 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

The Board of Directors of the Company on 22 Dhu al-Hijjah 1442 corresponding to 1 August 2021 resulted to provide one exclusive agent franchise rights in Egypt and transfer the Group current branches in Egypt to the exclusive agent.

Accordingly, on 22 Safa 1443 corresponding to 29 September 2021 management has signed an agreement with Al Rayah company for restaurants (A company registered in Egypt) to sell the Group assets and branches in Egypt for EGP 5.7 million (SR 1.3 million) .

Based on the above, the assets of the Group's branches in the Egypt and related liabilities as at 30 September 2021 were transferred to assets held for sale and related liabilities. The results of operations for Egypt branches have also been reclassified to discontinued operations. according to this transaction an impairment of SR 1.1 million was recorded as impairment loss.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021****13 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (CONTINUED)**

a) The statement of financial position for discontinued operations consists of the following:

	<i>30 September 2021</i>
	<i>(Unaudited)</i>
	<i>SR</i>
Property, plant and equipment, net	1,641,018

b) The statement of profit or loss for discontinued operations consists of the following:

	For the nine-month period ended 30	
	September (unaudited)	
	2021	2020
	<i>SR</i>	<i>SR</i>
Revenue from contracts with customers	5,516,496	4,723,002
Cost of revenue	(5,325,903)	(4,962,568)
Impairment loss on property, plant and equipment	(414,709)	(462,513)
Other operating income	220,137	204,098
General and administrative expenses	(1,063,996)	-
Income tax	-	(480,909)
Net loss from discontinued operations	(1,067,975)	(978,890)

14 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 September 2021 and the year ended 31 December 2020, which have been summarized by business segments mentioned above:

For the nine-month period ended 30 September 2021:

	Traditional meals	Other segments	Total
	SR	SR	SR
Revenue	95,910,213	-	95,910,213
Cost of revenue	(103,442,536)	-	(103,442,536)
Administrative and selling expenses	(14,549,729)	-	(14,549,729)
Others	(7,470,320)	-	(7,470,320)
Net loss from continued operations	(29,552,372)	-	(29,552,372)
Net loss from Discontinued operations:	(1,067,975)	-	(1,067,975)
Net loss	(30,620,347)	-	(30,620,347)
Capital expenditures	2,709,234	-	2,709,234
As at 30 September 2021:			
Investment in an associate	-	71,842,950	71,842,950
Total assets	303,860,998	71,842,950	375,703,948
Total liabilities	119,508,087	-	119,508,087

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021****14 SEGMENTS INFORMATION (CONTINUED)****For the nine-month period ended 30 September 2020:**

	Traditional meals	Other segments	Total
	SR	SR	SR
Revenue	97,001,259	-	97,001,259
Cost of revenue	(102,501,304)	-	(102,501,304)
Administrative and selling expenses	(15,223,766)	-	(15,223,766)
Share of result in an associate	(1,683,237)	-	(1,683,237)
Impairment loss on property, plant and equipment	(21,588,534)	-	(21,588,534)
Others	(8,860,067)	-	(8,860,067)
Net loss from continued operations	(52,855,649)	-	(52,855,649)
Net loss from Discontinued operations:	(978,890)	-	(978,890)
Capital expenditures	3,874,113	-	3,874,113
As at 31 December 2020:			
Investment in an associate	-	80,183,497	80,183,497
Total assets	290,186,842	80,183,497	370,370,339
Total liabilities	152,737,584	-	152,737,584

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
As at 30 September 2021, and for the nine-month period then ended:			
Revenue	92,114,220	3,795,993	95,910,213
Property, plant and equipment	137,643,739	11,725,063	149,368,802
For the nine-month period ended 30 September 2020			
Revenue	86,855,817	10,145,442	97,001,259
As at 31 December 2020			
Property, plant and equipment	153,882,150	13,108,317	166,990,467

*The Group branches in Egypt were excluded from the other regions sector on 30 September 2021 (Note No. 13).

15 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 September 2021, the Group did not hold any financial instruments measured at fair value.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021****16 PREVIOUS YEARS ADJUSTMENTS**

The comparative figures have been restated as follows:

A- The Associate issued its audited financial statements for the year ended on 31 December 2020 on 30 September 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.

B- During the period, the Group found that there were accounting errors in the financial statements of the associate company related to previous years, and these errors were corrected and recorded on the accumulated losses as at 1 January 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	<u>80,439,428</u>	<u>(8,616,327)</u>	<u>71,823,101</u>
Accumulated losses	<u>(67,041,225)</u>	<u>(8,616,327)</u>	<u>(75,657,552)</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	<u>(1,683,237)</u>	<u>(1,118,076)</u>	<u>(2,801,313)</u>
Loss for the year	<u>(83,338,929)</u>	<u>(1,118,076)</u>	<u>(84,457,005)</u>

17 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 5 Rabi' II 1443H corresponding to 10 November 2021.