Interim Condensed Financial Information for The Three Months Ended March 31, 2021 (Unaudited)
With
Independent auditors' review report

Interim Condensed Financial Information for The Three Months Ended March 31, 2021 (Unaudited) With Independent auditors' review report

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Independent auditors' review report on the interim condensed financial information

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The Board of Directors Al Eid Food Company K.S.C. (Public) Kuwait

Independent auditors' review report on the interim condensed financial information

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al Eid Food Company K.S.C. (Public) as of March 31, 2021 and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended. Management of the company is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard No. 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34, "Interim Financial Reporting".

Report on other legal and regulatory matters

Furthermore, based on our review, the interim condensed financial information is in agreement with the accounting books of the Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of year 2016 and its executive regulations, as amended, or law No. 7 of year 2010 in respect of the establishment of the Capital Market Authority and the organization of securities activity, and its executive regulations or the Company's article of incorporation and memorandum of association, as amended, have occurred during the three month period ended March 31, 2021 that might have had a material effect on the business of the Company or on its interim condensed financial position.

Rashed Ayoub Yusuf Alshadad

License No. 77 – (A) Rödl Middle East – Burgan International Accountants =Adel Al- Sanca

Auditors Registry No. 86 Category (A)
Kuwaiti Accounting Auditing
A member of H.L.B International

K.S.C. (Public) Kuwait

Interim condensed statement of financial position as of March 31, 2021 (Unaudited)
"All amounts are in Kuwaiti Dinar"

Assets Current assets	Note	March 31, 2021	December 31, 2020 (audited)	March 31, 2020
Cash and cash equivalents		997,280	812,037	588,655
Accounts receivable and other debit balances	3	14,514,038	13,977,827	13,203,800
Inventory	4	11,598,652	11,432,324	10,603,881
		27,109,970	26,222,188	24,396,336
Non-current assets				
Intangible assets		59,501	61,626	68,001
Property and equipment	6	278,960	312,452	412,125
		338,461	374,078	480,126
Total assets		27,448,431	26,596,266	24,876,462
Liabilities and equity Current liabilities			CO 1992 2 1999 5	
Murabahat payables	_	3,999,070	3,529,536	5,568,460
Accounts payable and other credit balances	7	550,022	524,096	456,785
		4,549,092	4,053,632	6,025,245
Non-current liabilities				
Murabahat payables		2,730,208	2,730,208	352,512
Provision for end of service indemnity		324,038	316,318	299,073
		3,054,246	3,046,526	651,585
Equity	0	45.054.504		
Share capital	8	12,054,706	12,054,706	10,045,588
Statutory reserve		1,846,520	1,846,520	1,681,857
Voluntary reserve		916,736	916,736	752,073
Retained earnings		5,027,131	4,678,146	5,720,114
		19,845,093	19,496,108	18,199,632
Total liabilities and equity		27,448,431	26,596,266	24,876,462

Fahed Saud Al Mutairy Chairman

Abdullah Saud Al Mutairy Vice Chairman

K.S.C. (Public)

Kuwait

Interim condensed statement of profit or loss and other comprehensive income for the three months ended March 31, 2021

(Unaudited)
"All amounts are in Kuwaiti Dinar"

		The three mo	
	Note	2021	2020
Revenue			
Sales		4,402,618	3,815,403
Cost of sales	9	(3,703,114)	(3,208,193)
Gross profit of sales		699,504	607,210
Other income		42,388	38,704
Total revenue		741,892	645,914
Expenses and other charges			
General and administrative expenses		170,685	160,085
Finance expenses		152,959	144,611
Depreciation and amortization		35,617	35,617
Provisions		17,302	15,750
Total expenses and other charges	9	376,563	356,063
Net profit for the period before KFAS, Zakat			200.051
and National Labour Support Tax		365,329	289,851
Contribution to Kuwait Foundation for the Advancement of Science		(3,288)	(2,609)
Zakat		(3,730)	(2,970)
National Labour Support Tax		(9,326)	(7,424)
Net profit for the period		348,985	276,848
Other comprehensive income for the period		-	-
Total comprehensive income for the period		348,985	276,848
Earning per share/(Fils)	10	2.90	2.30

Al Eid Food Company

K.S.C. (Public) Kuwait

Interim condensed statement of changes in equity for the three months ended March 31, 2021 (Unaudited)
"All amounts are in Kuwaiti Dinar"

	Share capital	Statutory	Voluntary	Retained	Total
Balance at January 1, 2020 Net profit for the period Balance at March 31, 2020	10,045,588	1,681,857	752,073	5,443,266 276,848 5,720,114	17,922,784 276,848 18,199,632
Balance at January 1, 2021 Net profit for the period Balance at March 31, 2021	12,054,706	1,846,520	916,736	4,678,146 348,985 5,027,131	19,496,108 348,985 19,845,093

The accompanying notes form an integral part of this interim condensed financial information.

Interim condensed statement of cash flows for the three months ended March 31, 2021 (Unaudited) "All amounts are in Kuwaiti Dinar"

	The three me	
	2021	2020
Cash flows from operating activities		
Net profit for the period	348,985	276,848
Adjustments:		
Depreciation and amortization	35,617	35,617
Provision for end of service indemnity	7,720	7,100
Finance expenses	152,959	144,611
Adjusted profit before calculating the effect of changes in	134,737	144,011
working capital items	545,281	464,176
Accounts receivable and other debit balances	(536,211)	(187,115)
Inventory	(166,328)	(37,574)
Accounts payable and other credit balances	25,926	21,653
Net cash (used in)/generated from operating activities	(131,332)	261,140
Cash flows from financing activities		
Murabahat payables	469,534	(90,036)
Finance expenses paid	(152,959)	(144,611)
Net cash generated from/(used in) financing activities	316,575	(234,647)
Net increase in cash and cash equivalents	185,243	26,493
Cash and cash equivalents at beginning of the period	812,037	562,162
Cash and cash equivalents at end of the period	997,280	
onon white each equivalents at one of the period	77,200	588,655

Notes to the interim condensed financial information for the three months ended March 31, 2021

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

1- Company's formation and activities

Al Eid for General Trading and Contracting Company (Abdullah Saud Murdy Al Mutairy and Partners) was incorporated as W.L.L Company in accordance with the Articles of Association dated on March 4, 1994 and subsequent amendments.

The legal entity of the company has been transferred from (limited liability company) to a kuwaiti shareholding company (Public) under the name of Al Eid Food Company as per the Articles of Association dated on June 2, 2004 through transferring all assets and liabilities to the new company based on evaluation made by an independent expert.

The objectives, for which the company was incorporated, are as follows:

- Managing and operating all works related to nutrition supplies in restaurants, hospitals, schools, universities, companies, factories and military camps, parks, commercial and residential complexes, clubs, institutes, entertainment cities, guest houses, residential houses, theaters, cinemas, recreational, sports and tourism projects and shops in various grades and levels including all indigenous and assistance services and facilities thereto and other necessary services, whether directly or to the favor of others.
- Making food and beverages, foodstuffs and other consumables (after the approval of the General Authority of Industry), importing, selling, packaging, storage and distributing in the manner that the company deems appropriate, in wholesale or retail.
- Opening and managing restaurants, including fast-food restaurants.
- Purchasing and importing devices, supplies and equipment necessary for the implementation of the objectives of the company.
- Representing companies and participating in similar tenders that are similar to these purposes.
- Owning movables and real estate that are necessary to conduct its activities to acceptable limits in accordance with the law.
- Utilizing the financial surpluses that are available to the company through investing them in financial portfolios managed by specialized companies and authorities.

The company may conduct the previous mentioned business objectives inside and outside the State of Kuwait by itself or as an agent.

The company has the right to participate or subscribe in any way, in other institutions which operate in the same field or those which would assist in achieving its objectives in Kuwait or abroad and to construct, participate or purchase these institutions or join them.

The postal address of the company is: Ardiya - P.O. Box 41081, Post Code 85851 Kuwait.

The interim condensed financial information for the three months ended March 31, 2021 was authorized for issue by the Board of Directors on May 20, 2021.

Kuwait

Notes to the interim condensed financial information for the three months ended March 31, 2021

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

2-Basis of preparation and significant accounting policies

2/1) Basis of preparation

The interim condensed financial information of the Company has been prepared in accordance with IAS 34, "Interim Financial Reporting". Accordingly, it does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2020.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2021 did not have any material impact on the accounting policies; performance of the Company or interim condensed financial position.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending December 31, 2021. For further information, refer to the annual audited financial statements and notes thereto for the year ended December 31, 2020.

This interim condensed financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Company.

Judgments and estimates

The preparation of interim condensed financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The key sources of estimates and judgments are consistent with the annual audited financial statements of the Company for the year ended December 31, 2020, with the exception of the impact of the COVID - 19 outbreaks which are detailed below.

The outbreak of coronavirus ("COVID-19") pandemic across the globe has caused disruption to business and economic activities and uncertainties in the global economic environment. The full outcome of this event is still unknown and therefore the impact on the Company cannot be fully quantified at the date of issuance of this interim condensed financial information. Management assessed the impact of the pandemic on the significant estimates and judgments applied by them in arriving at the Company's reported amounts of financial and non-financial assets as of March 31, 2021. Management also assessed that the Company has Current assets are what covers its current liabilities

Management is continuously revising their assumptions, estimates and judgments and monitoring the liquidity position especially during the coming period as events unfold.

Kuwait

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Notes to the interim condensed financial information for the three months ended March 31, 2021

(Unaudited)

3- Accounts receivable and other debit balances

		December	
	March	31, 2020	March
	31, 2021	(audited)	31, 2020
Trade receivables	12,049,120	11,440,374	10,735,820
Provision for ECL	(465,820)	(465,820)	(465,820)
-	11,583,300	10,974,554	10,270,000
Cheques under collection	2,886,466	2,959,001	2,862,753
Refundable deposits	44,272	44,272	71,047
	14,514,038	13,977,827	13,203,800
Inventory		December	
	March	31, 2020	March
	31, 2021	(audited)	31, 2020
Ending inventory	6,958,211	6,984,379	6,734,124
Provision for slow moving items	(114,460)	(114,460)	(114,460)
	6,843,751	6,869,919	6,619,664
Good in transit	4,754,901	4,562,405	3,984,217
	11,598,652	11,432,324	10,603,881

5- Transactions with related parties

Related parties comprise of the major shareholders, Board of Directors, entities controlled by them or under their joint control, executive officers, key management personnel and their close family members. The management approves the terms and condition of related parties transactions. The transactions with related parties are subject to the approval of Shareholders' General Assembly.

The balances of transactions with related parties included in the interim condensed financial information are as follows:

Interim condensed statement of financial position

Interim condensed Statement of financial position does not include any transactions with related parties.

Interim condensed statement of profit or loss and other comprehensive income	The three mont March 3	
•	2021	2020
Key Management bonuses and benefits		
Salaries and other benefits	6,000	6,000

[&]quot;All amounts are in Kuwaiti Dinar unless stated otherwise"

Al Eid Food Company

K.S.C. (Public) Kuwait

Notes to the interim condensed financial information for the three months ended March 31, 2021 (Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

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Property
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	Total 1,736,417 1,736,417 1,423,965 33,492 1,457,457	Decorations 166,106 166,106 168,200 148,200 1,923 150,123	Vehicles 359,150 359,150 317,992 9,997 327,989	Machinery and equipment 311,161 311,161 311,161 192,773 10,322 203,095	Buildings 900,000 900,000 765,000 11,250	Cost Balance at January 1, 2021 Balance at March 31, 2021 Accumulated depreciation Balance at January 1, 2021 Charged for the period Balance at March 31, 2021 Net book value
At March 31, 2021 15,983 278,960	278,960	15,983	31,161	108,066	123,750	At March 31, 2021
	312,452	17,906	41,158	118,388	135,000	At December 31, 2020 (audited)
						Net book value
Net book value	1,457,457	150,123	327,989	203,095	776,250	Balance at March 31, 2021
h 31, 2021	33,492	1,923	6,997	10,322	11,250	Charged for the period
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	1,423,965	148,200	317,992	192,773	765,000	Balance at January 1, 2021
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$						Accumulated depreciation
ttion 765,000 192,773 317,992 148,200 1,032 11,250 11,250 10,322 9,997 1,923 021 776,250 203,095 327,989 150,123 1,623	1,736,417	166,106	359,150	311,161	900,000	Balance at March 31, 2021
1021 900,000 311,161 359,150 166,106 1, 1100 11,250 10,322 9,997 1,923 1,923 1,923 1,923 11,250 203,095 327,989 150,123 1,633	1,736,417	166,106	359,150	311,161	000,000	Balance at January 1, 2021
021 900,000 311,161 359,150 166,106 021 900,000 311,161 359,150 166,106 102,773 317,992 148,200 11,250 10,322 9,997 1,923 11,250 203,095 327,989 150,123						Cost
ce at January 1, 2021 900,000 311,161 359,150 166,106 ce at March 31, 2021 311,161 359,150 166,106 mulated depreciation 765,000 192,773 317,992 148,200 ce at January 1, 2021 11,250 10,322 9,997 1,923 ce at March 31, 2021 776,250 203,095 150,123	Total	Decorations	Vehicles	equipment	Buildings	
Ce at January 1, 2021 Buildings equipment Vehicles Decorations ce at January 1, 2021 900,000 311,161 359,150 166,106 mulated depreciation 765,000 192,773 317,992 148,200 ce at January 1, 2021 776,250 10,322 9,997 1,923 ce at March 31, 2021 776,250 203,095 327,989 150,123				and		
ce at January 1, 2021 Buildings equipment Vehicles Decorations ce at January 1, 2021 900,000 311,161 359,150 166,106 mulated depreciation 765,000 192,773 317,992 148,200 ce at January 1, 2021 776,250 10,322 9,997 1,923 ce at March 31, 2021 776,250 203,095 327,989 150,123				Machinery		
ce at January 1, 2021 Buildings equipment Vehicles Decorations ce at January 1, 2021 900,000 311,161 359,150 166,106 mulated depreciation 765,000 192,773 317,992 148,200 ce at January 1, 2021 776,250 10,322 9,997 1,923 ce at March 31, 2021 776,250 203,095 327,989 150,123						Property and equipment

K.S.C. (Public)

Kuwait

Notes to the interim condensed financial information for the three months ended March 31, 2021

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

7- Accounts payable and other credit balances

	March 31, 2021	December 31, 2020 (audited)	March 31, 2020
Provision for staff leave	58,867	49,285	42,275
KFAS	93,991	90,703	78,492
Zakat	117,599	113,869	100,129
National Labour Support Tax	279,565	270,239	235,889
	550,022	524,096	456,785

8- Share capital

The authorized, issued and full paid-up capital is KD 12,054,706 distributed on 120,547,056 shares with nominal value 100 Fils of each share and all shares are in cash.

9- Cost of sales

	The three mo	
	2021	2020
Beginning inventory	6,984,379	6,696,155
Purchases	3,676,946	3,246,162
	10,661,325	9,942,317
Ending inventory	(6,958,211)	(6,734,124)
	3,703,114	3,208,193

10- Earning per share/(Fils)

Earning per share is calculated through dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

	The three m	
	2021	2020
Net profit for the period	348,985	276,848
Weighted average number of shares outstanding during the period	120,547,056	120,547,056
Earning per share/(Fils)	2.90	2.30

The weighted average number of outstanding shares has been recomputed as well as the comparative period.

K.S.C. (Public)

Kuwait

Notes to the interim condensed financial information for the three months ended March 31,2021

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

11- General Assembly of shareholders

On a subsequent date of the interim condensed financial information (4 April 2021), the Ordinary and Extraordinary General Assembly of the shareholders was held and approved the following:

- The financial statements for the financial year ended December 31, 2020.
- Non distribution of any remuneration for the Board of Directors for the financial year ended December 31, 2020.
- Distribution of cash dividends at 5% of the nominal value of each share (5 fils per share) to shareholders registered in the company's records as at the end of the maturity date.
- Increase the company's capital from KD 12,054,705.600 to KD 14,465,646.700, by distributing bonus shares of 20% of the authorized, issued and paid-up capital distributed by 20 shares for each hundred shares through the issuance of 24,109,411 new shares, and authorization of the Board of directors to dispose of share fractions, determine the maturity date and the distribution date, and amend the schedule in case it is confirmed at least eight working days before the due date due to the delay of the month's procedures.

12- Financial instruments

Categories of financial instruments

The Company's financial assets and financial liabilities are classified in the interim condensed statement of financial position as follows:

Financial assets Cash and cash equivalents Accounts receivable and other	March 31, 2021 997,280	December 31, 2020 (audited) 812,037	March 31, 2020 588,655
debit balances	14,514,038	13,977,827	13,203,800
	15,511,318	14,789,864	13,792,455
Financial liabilities	March 31, 2021	December 31, 2020 (audited)	March 31, 2020
Murabahat payables	6,729,278	6,259,744	5,920,972
Accounts payable and other credit balances	550,022	524,096	456,785
	7,279,300	6,783,840	6,377,757

13- Comparative figures

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