



میزان القابضة ش.م.ك.ع.
MEZZAN HOLDING K.S.C.P.

Date: 11/08/2022

Ref.: MHC/Disclosure/2022/ 064

Attn. Boursa Kuwait Company

Mubarak Al Kabeer St.
AlSharq, Kuwait
P.O.Box 22235 Safat, 13083 Kuwait

Subject: Disclosure from Mezzan on results of the interim financial statements for the period ended on 30/06/2022

Reference to the above subject and pursuant to the provisions of Article (4-1-1), Chapter 4 of Module 10 (Disclosure and Transparency) of the Executive Bylaws of Law No. 7 of 2010 concerning establishment of the Capital Markets Authority.

Mezzan Holding Company KSCP would like to announce that its Board of Directors has convened today and ratified the Company interim financial statements for the period ended on 30/06/2022.

Attached is the Quarterly Financial Statement Results Forms for Kuwaiti Companies and External Auditors Report.

In addition; in compliance of Premier Market Companies obligations as per Resolution No. (1) for the year 2018; our Company is pleased to announce that the Earnings Call for Investors and Shareholders will be held through a live webcast session on Monday, 15th August 2022 at 02:00 pm Kuwait Local Time.

Interested analyst and shareholders may attend earnings call through the link below:

Link: <http://www.mezzan.com/investor-relations/investor-overview/>

Mezzan Holding Company KSCP

Moutasem Jassim AlWazzan

Chairman of the Board

Financial Results Form
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية
الشركات الكويتية (د.ك.)

Company Name	اسم الشركة
Mezzan Holding Co. (K.S.C.P)	شركة ميزان القابضة (ش.م.ك.ع)

Select from the list	2022-06-30	اختر من القائمة
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Board of Directors Meeting Date	2022-08-11	تاريخ اجتماع مجلس الإدارة
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Required Documents	المستندات الواجب إرفاقها بالنموذج
Approved financial statements. Approved auditor's report This form shall not be deemed to be complete unless the documents mentioned above are provided	نسخة من البيانات المالية المعتمدة نسخة من تقرير مراقب الحسابات المعتمد لا يعتبر هذا النموذج مكتملاً ما لم يتم إرفاق هذه المستندات

التغيير (%)	فترة الستة اشهر المقارنة	فترة الستة اشهر الحالية	البيان
Change (%)	Six Month Comparativ Period	Six Month Current Per	Statement
	2021-06-30	2022-06-30	
-73.9%	7,239,566	1,888,103	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-74.1%	23.8	6.17	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
2.08%	139,570,478	142,469,573	الموجودات المتداولة Current Assets
4.6%	256,709,312	268,473,099	إجمالي الموجودات Total Assets
13.1%	124,792,829	141,098,292	المطلوبات المتداولة Current Liabilities
12.5%	136,434,502	153,523,373	إجمالي المطلوبات Total Liabilities
-4.3%	110,973,144	106,159,143	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
-13.1%	29,506,484	25,630,130	إجمالي الإيرادات التشغيلية Total Operating Revenue
-75.6%	8,349,751	2,036,824	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
N/A	No Accumulated losses	No Accumulated losses	الخسائر المترتبة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%)	الربع الثاني المقارن	الربع الثاني الحالي	البيان
Change (%)	Second quarter Comparative Period	Second quarter Current Period	Statement
	2021-06-30	2022-06-30	
-146.2%	2,281,066	(1,054,674)	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-146.2%	7.47	-3.45	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
-17%	13,304,981	11,059,518	إجمالي الإيرادات التشغيلية Total Operating Revenue
-137.2%	2,779,510	(1,035,050)	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
The drop in net profit for the period ended 30 June 2022 as compared to the period ended 30 June 2021 was primarily due to lower gross profit impacted by inflation pressure globally and regionally. Rising input and operating costs outpace sales growth and price increases.	يعود الإنخفاض في صافي الربح للفترة المنتهية في 30 يونيو 2022 بالمقارنة مع الفترة المنتهية في 30 يونيو 2021 بشكل أساسي إلى إنخفاض مجمل الربح والذي تأثر بضغوطات التضخم عالمياً وإقليمياً، حيث إرتفعت تكاليف الإنتاج بشكل أسرع من الإرتفاع في المبيعات وأسعار بيع المنتجات.

Total Revenue realized from dealing with related parties (value, KWD)	12,127	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
Total Expenditures incurred from dealing with related parties (value, KWD)	6,634,882	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)

Auditor Opinion		رأي مراقب الحسابات
1.	Unqualified Opinion	رأي غير متحفظ
2.	Qualified Opinion	رأي متحفظ
3.	Disclaimer of Opinion	عدم إبداء الرأي
4.	Adverse Opinion	رأي معاكس

In the event of selecting item No. 2, 3 or 4,
the following table must be filled out, and this form is not
considered complete unless it is filled.

بحال اختيار بند رقم 2 أو 3 أو 4 يجب تعبئة
الجدول التالي، ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعيئته

Not Applicable / لا ينطبق	نص رأي مراقب الحسابات كما ورد في التقرير
Not Applicable / لا ينطبق	شرح تفصيلي بالحالة التي استدعت مراقب الحسابات لإبداء الرأي
Not Applicable / لا ينطبق	الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات
Not Applicable / لا ينطبق	الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
-	لا ينطبق / Not Applicable	توزيعات نقدية	Cash Dividends
-	لا ينطبق / Not Applicable	توزيعات أسهم منحة	Bonus Share
-	لا ينطبق / Not Applicable	توزيعات أخرى	Other Dividend
-	لا ينطبق / Not Applicable	عدم توزيع أرباح	No Dividends
-	لا ينطبق / Not Applicable	زيادة رأس المال	Capital Increase
-	لا ينطبق / Not Applicable	تخفيض رأس المال	Capital Decrease

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		رئيس مجلس الإدارة Chairman	معتصم جاسم الوزان Moutasem Jassim Al-Wazzan

**Mezzan Holding Company K.S.C.P and subsidiaries
State of Kuwait**

**Independent auditor's review report and condensed
consolidated interim financial information (Unaudited)
for the six months ended 30 June 2022**

**Mezzan Holding Company K.S.C.P and subsidiaries
State of Kuwait**

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF MEZZAN HOLDING COMPANY K.S.C.P

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mezzan Holding Company K.S.C.P ("the Company") and its subsidiaries (together referred to as "the Group") as at 30 June 2022, and the related interim condensed consolidated statements of profit or loss, 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. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim 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.

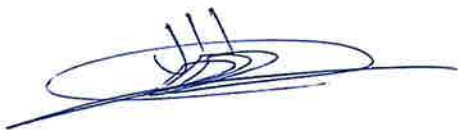
Conclusion

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

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the books of the accounts of the Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violation of the Companies Law No. 1 of 2016 and its executive regulations, as amended or of the Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended 30 June 2022 that might have had a material effect on the business of the Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the six-month period ended 30 June 2022 that might have had a material effect on the business of the Company or on its financial position.



Talal Y. Al-Muzaini
Licence No. 209A
Deloitte & Touche - Al Wazzan & Co.


Kuwait
11 August 2022


Mezzan Holding Company K.S.C.P. and subsidiaries
State of Kuwait

Interim condensed consolidated statement of financial position (Unaudited)
as at 30 June 2022

		30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
Assets				
Property, plant and equipment	4	80,083,541	77,101,119	74,813,909
Right of use assets		2,820,101	3,725,469	1,772,672
Intangible assets	5	34,912,659	33,097,846	29,420,372
Investment in associates		1,352,820	1,301,935	1,187,167
Investment property	6	3,780,992	3,779,805	3,812,645
Biological assets	17	903,792	793,091	858,520
Trade and other receivables	8	-	-	1,773,336
Investments at fair value through other comprehensive income	17	2,149,621	3,087,886	3,500,213
Non-current assets		<u>126,003,526</u>	<u>122,887,151</u>	<u>117,138,834</u>
Inventories	7	47,934,772	54,813,361	46,518,257
Trade and other receivables	8	78,556,513	70,458,804	73,490,772
Cash and bank balances	10	15,978,288	19,313,317	19,561,449
Current assets		<u>142,469,573</u>	<u>144,585,482</u>	<u>139,570,478</u>
Total assets		<u>268,473,099</u>	<u>267,472,633</u>	<u>256,709,312</u>
Equity				
Share capital		31,132,500	31,132,500	31,132,500
Treasury shares	11	(76,917)	(2,343,017)	(1,859,644)
Treasury shares reserve		-	228,415	219,881
Statutory reserve		16,601,335	16,601,335	16,601,335
Voluntary reserve		16,601,335	16,601,335	16,601,335
Fair value reserve		1,336,406	2,274,671	2,686,998
Foreign currency translation reserve		(390,902)	(540,831)	(680,218)
Other reserve		(4,513,320)	(4,513,320)	(4,525,549)
Retained earnings		45,468,706	51,987,607	50,796,506
Equity attributable to shareholders of the Company		<u>106,159,143</u>	<u>111,428,695</u>	<u>110,973,144</u>
Non-controlling interests		8,790,583	8,640,318	9,301,666
Total equity		<u>114,949,726</u>	<u>120,069,013</u>	<u>120,274,810</u>
Liabilities				
Lease liabilities		1,676,543	2,327,987	960,866
Trade and other payables	13	2,003,006	2,003,006	1,944,666
Retirement benefit obligation		8,745,532	8,758,725	8,736,141
Non-current liabilities		<u>12,425,081</u>	<u>13,089,718</u>	<u>11,641,673</u>
Loans and borrowings	12	73,865,400	68,421,000	68,662,668
Bank overdrafts	10	9,787,954	3,902,658	1,860,715
Lease liabilities		1,133,225	1,481,790	776,419
Trade and other payables	13	56,311,713	60,508,454	53,493,027
Current liabilities		<u>141,098,292</u>	<u>134,313,902</u>	<u>124,792,829</u>
Total liabilities		<u>153,523,373</u>	<u>147,403,620</u>	<u>136,434,502</u>
Total equity and liabilities		<u>268,473,099</u>	<u>267,472,633</u>	<u>256,709,312</u>

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.


 Motasem Jassim Al Wazzan
 Chairman


 Garrett Walsh
 Chief Executive Officer

Mezzan Holding Company K.S.C.P. and subsidiaries
State of Kuwait

Interim condensed consolidated statement of profit or loss (Unaudited)
for the three- and six-month periods ended 30 June 2022

	Notes	Three months period ended 30 June		Six months period ended 30 June	
		2022 KD (Unaudited)	2021 KD (Unaudited)	2022 KD (Unaudited)	2021 KD (Unaudited)
Revenue		61,507,656	60,662,359	133,986,193	134,030,250
Cost of revenue		(50,448,138)	(47,357,378)	(108,356,063)	(104,523,766)
Gross profit		11,059,518	13,304,981	25,630,130	29,506,484
Selling and distribution expenses		(5,261,911)	(4,985,360)	(10,284,945)	(10,271,890)
General and administrative expenses		(6,151,257)	(4,984,796)	(11,753,686)	(9,638,529)
Other income	14	74,149	191,100	28,055	377,335
Results from operating activities		(279,501)	3,525,925	3,619,554	9,973,400
Finance costs		(761,356)	(604,874)	(1,435,943)	(1,218,629)
Share of results of associates		44,470	-	76,442	449
(Loss)/profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (“KFAS”), National Labour Support Tax (“NLST”), Zakat and board of directors’ remuneration		(996,387)	2,921,051	2,260,053	8,755,220
KFAS		10,160	(24,226)	(21,113)	(76,450)
NLST		(8,163)	(71,106)	(46,604)	(208,930)
Zakat		(21,910)	(27,459)	(118,012)	(82,589)
Board of directors’ remuneration	9	(18,750)	(18,750)	(37,500)	(37,500)
(Loss)/profit for the period		(1,035,050)	2,779,510	2,036,824	8,349,751
(Loss)/profit attributable to:					
Shareholders of the Company		(1,054,674)	2,281,066	1,888,103	7,239,566
Non-controlling interests		19,624	498,444	148,721	1,110,185
		(1,035,050)	2,779,510	2,036,824	8,349,751
(Loss)/earnings per share (basic and diluted) (fils)	15	(3.45)	7.47	6.17	23.80

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

Mezzan Holding Company K.S.C.P. and subsidiaries
State of Kuwait

Interim condensed consolidated statement of comprehensive income (Unaudited)
for the three- and six-month periods ended 30 June 2022

	Three month period ended 30 June		Six month period ended 30 June	
	2022 KD (Unaudited)	2021 KD (Unaudited)	2022 KD (Unaudited)	2021 KD (Unaudited)
(Loss)/profit for the period	(1,035,050)	2,779,510	2,036,824	8,349,751
<i>Other comprehensive (loss) / income</i>				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences on foreign operations	145,425	(135,522)	198,109	(204,659)
Net investment hedge- net (loss)/gain	(31,091)	14,576	(46,636)	26,931
	<u>114,334</u>	<u>(120,946)</u>	<u>151,473</u>	<u>(177,728)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Change in fair value of investment at fair value through other comprehensive income	(902,990)	(85,070)	(938,265)	284,620
<i>Other comprehensive (loss) / income</i>	<u>(788,656)</u>	<u>(206,016)</u>	<u>(786,792)</u>	<u>106,892</u>
Total comprehensive (loss) /income for the period	<u>(1,823,706)</u>	<u>2,573,494</u>	<u>1,250,032</u>	<u>8,456,643</u>
Total comprehensive (loss) /income attributable to:				
Shareholders of the Company	(1,844,229)	2,075,955	1,099,767	7,385,157
Non-controlling interests	20,523	497,539	150,265	1,071,486
Total comprehensive (loss) /income for the period	<u>(1,823,706)</u>	<u>2,573,494</u>	<u>1,250,032</u>	<u>8,456,643</u>

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

**Mezzan Holding Company K.S.C.P. and subsidiaries
State of Kuwait**

**Interim condensed consolidated statement of changes in equity (Unaudited)
for the six-month period ended 30 June 2022**

	Attributable to shareholders of the Company												
	Share capital	Treasury shares	Treasury shares reserve	Treasury shares reserve	Statutory reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
Balance at 1 January 2022	31,132,500	(2,343,017)	228,415	16,601,335	16,601,335	2,274,671	(540,831)	(4,513,320)	51,987,607	111,428,695	8,640,318	120,069,013	
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	1,888,103	1,888,103	148,721	2,036,824	
Profit for the period	-	-	-	-	-	-	-	-	-	(938,265)	-	(938,265)	
<i>Other comprehensive (loss)/income</i>	-	-	-	-	-	-	149,929	-	-	149,929	1,544	151,473	
Change in fair value	-	-	-	-	-	(938,265)	-	-	-	-	-	-	
Foreign currency translation	-	-	-	-	-	-	149,929	-	-	-	-	-	
Total comprehensive (loss)/income for the period	-	-	-	-	-	(938,265)	149,929	-	1,888,103	1,099,767	150,265	1,250,032	
Dividends (note 20)	-	-	-	-	-	-	-	-	(4,879,536)	(4,879,536)	-	(4,879,536)	
Purchase of treasury shares	-	(1,489,783)	-	-	-	-	-	-	-	(1,489,783)	-	(1,489,783)	
Treasury shares given to shareholders as dividend (note 20)	-	3,755,883	(228,415)	-	-	-	-	-	(3,527,468)	-	-	-	
Balance at 30 June 2022	31,132,500	(76,917)	-	16,601,335	16,601,335	1,336,406	(390,902)	(4,513,320)	45,468,706	106,159,143	8,790,583	114,949,726	

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

**Mezzan Holding Company K.S.C.P. and subsidiaries
State of Kuwait**

**Interim condensed consolidated statement of changes in equity (Unaudited)
for the six-month period ended 30 June 2022**

	Attributable to shareholders of the Company																						
	Share capital		Treasury shares		Statutory reserve		Voluntary reserve		Fair value reserve		Foreign currency translation reserve		Other reserve		Retained earnings		Total		Non-controlling interests		Total equity		
	KD		KD		KD		KD		KD		KD		KD		KD		KD		KD		KD		
Balance at 1 January 2021	31,132,500	(5,547,635)	-	-	16,601,335	16,601,335	2,402,378	(541,189)	(4,525,549)	53,297,415	109,420,590	8,230,180	117,650,770										
Total comprehensive income/(loss) for the period																							
Profit for the period	-	-	-	-	-	-	-	-	-	7,239,566	7,239,566	1,110,185	8,349,751										
<i>Other comprehensive income/(loss)</i>	-	-	-	-	-	-	-	-	-	-	-	-	-										
Change in fair value	-	-	-	-	-	-	284,620	-	-	-	284,620	-	284,620										
Foreign currency translation	-	-	-	-	-	-	-	(139,029)	-	-	(139,029)	-	(139,029)										
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	284,620	(139,029)	-	7,239,566	7,385,157	1,071,486	8,456,643										
Dividends (note 20)	-	-	-	-	-	-	-	-	-	(5,444,190)	(5,444,190)	-	(5,444,190)										
Purchase of treasury shares	-	(503,669)	-	-	-	-	-	-	-	-	(503,669)	-	(503,669)										
Sale of treasury shares	-	109,395	-	5,861	-	-	-	-	-	-	115,256	-	115,256										
Treasury shares given to shareholders as dividend (note 20)	-	4,082,265	214,020	-	-	-	-	-	-	(4,296,285)	-	-	-										
Balance at 30 June 2021	31,132,500	(1,859,644)	219,881	16,601,335	16,601,335	2,686,998	(680,218)	(4,525,549)	50,796,506	110,973,144	9,301,666	120,274,810											

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

**Mezzan Holding Company K.S.C.P and subsidiaries
State of Kuwait**

**Interim condensed consolidated statement of cash flows (Unaudited)
for the six-month period ended 30 June 2022**

	Notes	Six months period ended 30 June	
		2022 KD (Unaudited)	2021 KD (Unaudited)
Cash flows from operating activities			
Profit for the period before contribution to KFAS, NLST, Zakat and board of directors' remuneration		2,260,053	8,755,220
<i>Adjustment for:</i>			
Depreciation		4,415,965	4,192,834
Amortisation of intangible assets	5	164,900	175,582
Share of results of associates		(76,442)	(449)
Provision for retirement benefit obligation		695,467	821,917
Provision for obsolete and slow-moving inventories	7	798,108	102,741
Provision for expected credit losses	8	2,508,327	430,380
(Gain)/loss on disposal of property, plant and equipment	14	(43,465)	7,380
Gain on revaluation of biological assets	17	(49,603)	(66,454)
Gain on disposal of biological assets		(1,910)	(3,378)
Write-off of biological assets	17	3,360	6,474
Finance costs		1,435,943	1,218,629
Dividend income	14	(60,095)	(98,338)
Foreign currency exchange loss/(gain)	14	93,326	(128,618)
		<u>12,143,934</u>	<u>15,413,920</u>
<i>Changes in:</i>			
- inventories		6,181,910	3,368,939
- trade and other receivables		(10,672,160)	(8,952,416)
- related parties balances- net		(3,577,750)	2,216,401
- trade and other payables		(939,939)	1,595,780
<i>Cash generated from operating activities</i>		<u>3,135,995</u>	<u>13,642,624</u>
Employees' retirement benefit obligation paid		(801,439)	(572,547)
<i>Net cash from operating activities</i>		<u>2,334,556</u>	<u>13,070,077</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(6,370,801)	(3,227,918)
Purchase of intangible assets	5	(1,802,000)	-
Purchase of biological assets	17	(92,212)	-
Proceeds from disposal of property, plant and equipment		167,429	68,176
Proceeds from disposal of intangible assets		-	30,000
Dividend received		85,652	116,593
Proceeds from disposal of biological assets		29,664	26,155
<i>Net cash used in investing activities</i>		<u>(7,982,268)</u>	<u>(2,986,994)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		4,995,000	129,818
Repayment of loans and borrowings		-	(1,091,070)
Payment of lease liability		(834,979)	(609,420)
Dividends paid to equity holders of the Company		(4,879,536)	(5,444,190)
Purchase of treasury shares		(1,489,783)	(503,669)
Proceeds from sale of treasury shares		-	115,256
Payment of finance costs		(1,435,943)	(1,173,047)
<i>Net cash used in financing activities</i>		<u>(3,645,241)</u>	<u>(8,576,322)</u>
Effect of foreign exchange differences		72,628	(154,414)
Net change in cash and cash equivalents		<u>(9,220,325)</u>	<u>1,352,347</u>
Cash and cash equivalents at the beginning of the period		<u>15,410,659</u>	<u>16,348,387</u>
Cash and cash equivalents at the end of the period	10	<u>6,190,334</u>	<u>17,700,734</u>

The accompanying notes 1 to 21 form an integral part of the condensed consolidated interim financial information.

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**Notes to the condensed consolidated interim financial information (Unaudited)
for the six-month period ended 30 June 2022**

1. Reporting entity

Mezzan Holding Company K.S.C.P (“the Company”) is a shareholding company registered and incorporated as a holding company in Kuwait on 3 August 1999. The shares of the Company were listed on Kuwait Stock Exchange (“Boursa Kuwait”) on 11 June 2015.

The principal activities of the Company as per the articles of association are as follows:

- a) Holding shares of Kuwaiti or foreign stock companies as well as holding shares or units in limited liability companies whether Kuwaiti or foreign, or participating in establishing these companies, managing them and sponsoring them on behalf of others.
- b) Providing loans to companies in which the Company holds shares or sponsors. In such cases, it is necessary that the participation ratio of the Company in the share capital of the borrowing company not to be less than 20%.
- c) Owning intellectual property including patents, trademarks, industrial fees or any other related rights and leasing them to other companies to make use of them inside Kuwait and abroad.
- d) Holding movable or real estate assets necessary to carry out its activities within the limits allowed by law.

The Company is allowed to conduct the above-mentioned operations in the State of Kuwait or abroad by its own or as an agent on behalf of other parties. The Company may have an interest or in any way be associated with entities engaged on activities similar to its own or which may assist the group companies in achieving its objectives in Kuwait or abroad, or may establish, participate in or acquire these entities or affiliate itself to it.

The registered office of the Company is Building no. 287, Block 1, Aradiya, Kuwait.

The condensed consolidated interim financial information as at and for the six month period ended 30 June 2022 comprise of the Company and its subsidiaries (together referred to as “the Group”) and its investment in associates.

This condensed consolidated interim financial information were authorised for issue by the Company’s board of directors on 11 August 2022.

2. Basis of accounting

These condensed consolidated interim financial information have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2021 (‘last annual consolidated financial statements’). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s consolidated financial position and performance since the last consolidated financial statements. Operating results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the year ending 31 December 2022.

New standards, interpretations and amendments

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021.

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Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the condensed consolidated interim financial information of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. Judgments and estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual consolidated financial statements as at and for the year ended 31 December 2021.

4. Property, plant and equipment

	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
Net fixed assets	68,378,264	68,241,572	69,935,867
Capital work in progress	<u>11,705,277</u>	<u>8,859,547</u>	<u>4,878,042</u>
	<u>80,083,541</u>	<u>77,101,119</u>	<u>74,813,909</u>

During the six-month period ended 30 June 2022, the Group acquired property and equipment amounting to KD 6,370,801 (30 June 2021: KD 3,227,919). Depreciation charged for the period amounted to KD 3,604,338 (30 June 2021: KD 3,523,602).

5. Intangible assets

	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
Goodwill	23,220,091	23,078,128	23,028,345
Other intangible assets	<u>11,692,568</u>	<u>10,019,718</u>	<u>6,392,027</u>
	<u>34,912,659</u>	<u>33,097,846</u>	<u>29,420,372</u>

During the six-month period ended 30 June 2022, the Group acquired intangible assets amounting to KD 1,802,000 (30 June 2021: Nil).

Amortisation charged for the period amounted to KD 164,900 (30 June 2021: KD 175,582)

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Notes to the condensed consolidated interim financial information (Unaudited)
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6. Investment property

	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
Balance at 1 January	3,779,805	3,891,222	3,891,222
Depreciation	(50,806)	(101,523)	(50,369)
Net foreign exchange differences	51,993	(9,894)	(28,208)
	<u>3,780,992</u>	<u>3,779,805</u>	<u>3,812,645</u>

As at 30 June 2022, the management does not anticipate any significant change in fair value of investment properties compared to 31 December 2021.

At the reporting date, the investment properties include freehold land that has an indefinite economic life and is therefore not depreciated.

Management has estimated the economic useful life of the buildings to be 5-30 years.

7. Inventories

	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
Goods for resale	30,846,910	38,209,423	30,754,819
Raw materials and consumables	13,643,758	13,819,099	12,357,792
Finished goods and work in progress	2,630,925	2,851,148	2,937,342
Goods in transit	2,519,861	2,006,926	2,761,307
	<u>49,641,454</u>	<u>56,886,596</u>	<u>48,811,260</u>
Provision for obsolete and slow-moving inventories	(1,706,682)	(2,073,235)	(2,293,003)
	<u>47,934,772</u>	<u>54,813,361</u>	<u>46,518,257</u>

The current period provision for obsolete and slow-moving inventories of KD 798,108 (30 June 2021: KD 102,741) is included in cost of revenue in the interim condensed consolidated statement of profit or loss.

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8. Trade and other receivables

	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
<i>Non-Current Portion</i>			
Other Receivables	-	-	1,773,336
<i>Current Portion</i>			
Trade receivables	70,263,885	63,206,229	66,802,106
Provision for expected credit losses	(12,892,579)	(10,380,414)	(9,813,518)
	57,371,306	52,825,815	56,988,588
Advances to suppliers	15,076,952	12,159,490	10,806,824
Prepaid expenses	1,704,072	1,321,364	2,113,044
Refundable deposits	776,681	756,699	782,479
Due from related parties (Note 9)	38,912	34,519	42,240
Other receivables	3,588,590	3,360,917	2,757,597
	<u>78,556,513</u>	<u>70,458,804</u>	<u>73,490,772</u>

Movement of provision for expected credit loss is as follows:

	2022 KD	2021 KD
Balance at 1 January (Audited)	10,380,414	9,441,233
Charge for the period	2,508,327	430,380
Write offs	(66,677)	(33,208)
Effect of movement in exchange rates	70,515	(24,887)
Balance at 30 June (Unaudited)	<u>12,892,579</u>	<u>9,813,518</u>

9. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. All related party transactions are carried out on terms approved by the Group's management.

Key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

Details of significant related parties balances and transactions are disclosed below:

	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
Balances with related parties			
<i>Due from related parties (Note 8)</i>			
Other than shareholders and associates	38,912	34,519	42,240
	<u>38,912</u>	<u>34,519</u>	<u>42,240</u>

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Notes to the condensed consolidated interim financial information (Unaudited)
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	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
<i>Due to related parties (Note 13)</i>			
Shareholders	64,313	73,668	73,669
Associates	1,438	2,775	170
Other related parties	2,900,780	6,463,445	3,924,698
	<u>2,966,531</u>	<u>6,539,888</u>	<u>3,998,537</u>

	Three month period ended 30 June		Six month period ended 30 June	
	2022 KD (Unaudited)	2021 KD (Unaudited)	2022 KD (Unaudited)	2021 KD (Unaudited)
Transactions with related parties				
<i>Sales</i>				
Shareholders	2,229	1,803	5,624	4,225
Other related parties	3,004	8,920	6,503	19,601
	<u>5,233</u>	<u>10,723</u>	<u>12,127</u>	<u>23,826</u>
<i>Cost of revenue</i>				
Other related parties	1,765,025	3,495,441	6,450,698	7,888,932
<i>General and administrative expenses</i>				
Other related parties	79,306	108,247	184,184	248,243
Key management compensation				
Salaries and other short-term benefits	976,840	1,657,196	1,501,730	2,154,982
Retirement benefit obligation	26,948	10,276	54,287	55,489
	<u>1,003,788</u>	<u>1,667,472</u>	<u>1,556,017</u>	<u>2,210,471</u>
Board of directors' remuneration	18,750	18,750	37,500	37,500

10. Cash and cash equivalents

	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
Cash and bank balances	15,978,288	19,313,317	19,561,449
Bank overdrafts	(9,787,954)	(3,902,658)	(1,860,715)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	<u>6,190,334</u>	<u>15,410,659</u>	<u>17,700,734</u>

Bank overdrafts are denominated in Kuwaiti Dinars, Qatari Riyals and Jordanian Dinars and are from local and foreign commercial banks. These are repayable on demand and carry an average effective interest rate of 3.25% to 5% (31 December 2021: 2.5% to 5% and 30 June 2021: 2.5% to 5%) per annum.

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11. Treasury shares

	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Number of shares	254,590	3,825,000	3,015,068
Percentage of share capital (%)	0.08%	1.23%	0.98%
Cost ("KD")	76,917	2,343,017	1,859,644
Market value ("KD")	107,692	2,252,925	1,939,843

12. Loans and borrowings

	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
Kuwaiti Dinars	40,995,000	36,000,000	36,396,818
US Dollars	32,870,400	32,421,000	32,265,850
	<u>73,865,400</u>	<u>68,421,000</u>	<u>68,662,668</u>

This represents various unsecured revolving credit facilities from local and foreign banks to fund its operational requirements. These loans carry effective interest rates of 2.261% to 3.25% (31 December 2021 1.61% to 2.50% and 30 June 2021: 1.45% to 2.50%) per annum.

13. Trade and other payables

	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
<i>Non-Current Portion</i>			
Other Payables	<u>2,003,006</u>	<u>2,003,006</u>	<u>1,944,666</u>
<i>Current Portion</i>			
Trade payables	34,077,729	35,137,390	31,318,002
Accrued expenses	15,942,088	13,900,576	15,151,745
Dividend Payable	678,699	-	-
Advances from customers	41,249	86,650	12,404
Payables to related parties (Note 9)	2,966,531	6,539,888	3,998,537
Other payables	2,605,417	4,843,950	3,012,339
	<u>56,311,713</u>	<u>60,508,454</u>	<u>53,493,027</u>

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14. Other income

	Three month period ended 30 June		Six month period ended 30 June	
	2022 KD (Unaudited)	2021 KD (Unaudited)	2022 KD (Unaudited)	2021 KD (Unaudited)
Gain/(loss) on disposal of property, plant and equipment	42,474	(10,190)	43,465	(7,380)
Foreign currency exchange gain/ (loss)	6,660	46,086	(93,326)	128,618
Dividend income	60,095	98,338	60,095	98,338
Other income	(35,080)	56,866	17,821	157,759
	<u>74,149</u>	<u>191,100</u>	<u>28,055</u>	<u>377,335</u>

15. Basic and diluted (loss)/earnings per share

Basic (loss)/earnings per share are calculated by dividing the (loss)/profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period less treasury shares.

Diluted EPS is calculated by dividing the (loss)/profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no outstanding dilutive instruments, the basic and diluted (loss)/earnings per share are identical.

	Three month period ended 30 June		Six month period ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
(Loss)/profit for the period (KD)	(1,054,674)	2,281,066	1,888,103	7,239,566
Weighted average number of ordinary shares outstanding during the period (after excluding treasury shares)	<u>305,976,386</u>	<u>305,438,550</u>	<u>306,168,942</u>	<u>304,189,800</u>
(Loss)/earnings per share	<u>(3.45 fils)</u>	<u>7.47 fils</u>	<u>6.17 fils</u>	<u>23.80 fils</u>

16. Segment information

For management reporting purposes, the Group is organised into five major operating segments and a corporate segment based on internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person responsible for allocating resources to and assessing the performance of the operating segments. The Group does not have material inter-segment transactions.

The principal activities and services under these segments are as follows:

Food segment

Food	Food comprises all the businesses that relate to the food industry including food and beverages, wholesale trading, manufacturing and retail. The segment deals in a variety of products mainly meat products, cakes, biscuits, potato chips, snacks, canned food products, dairy products and water.
Catering	Catering comprises of food services for short term and long-term delivery of cooked food as well as on site operation of food facilities and catering for one off events.
Services	Services include provision/sale of a variety of services/goods respectively to major customers predominantly including sales and delivery of foods as well as ancillary storage, logistics, repairs and maintenance services and sale of non-food items.

Non-food segment

Fast Moving Consumer Goods ("FMCG") and Healthcare ("HC")	FMCG mainly comprises of distribution of health and beauty products, medicines, medical devices, manufacturing of medicine, medical products and household products.
Industrial	Industrial comprises of the manufacturing of goods including plastic materials, lube oil and cartons used for packaging.
Corporate segment	Corporate comprises of central assets, liabilities and support functions for the entire Group. The corporate provides management, information systems and technology, human resource, procurement and finance support to other segments. The Group maintains a central treasury function and manages the cash and borrowing position centrally.

The Group's chief executive officer reviews the internal management reports of each reportable segment at least once quarterly. Segment performance is evaluated based on segmental return on investments. Statutory contributions and Board of Directors' remuneration are managed on an overall basis and are not allocated to the operating segments.

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i. The following tables present information for the Group's operating segments:

	30 June 2022 (Unaudited)								
	Food			Non-food			Total KD		
	Food KD	Catering KD	Services KD	Sub-total KD	FMCG & HC KD	Industrial KD		Sub-total KD	Corporate KD
Revenues	69,204,684	13,199,108	6,140,137	88,543,929	42,311,172	3,128,512	45,439,684	2,580	133,986,193
Segment profit/ (loss)	2,691,500	(2,766,018)	943,759	869,241	2,800,939	384,741	3,185,680	(1,794,868)	2,260,053
Total Assets	127,888,850	24,706,390	12,643,943	165,239,183	91,308,408	10,170,151	101,478,559	1,755,357	268,473,099
Total Liabilities	23,369,404	9,719,316	3,681,370	36,770,090	24,492,425	2,943,714	27,436,139	89,317,144	153,523,373

31 December 2021 (Audited)

	31 December 2021 (Audited)								
	Food			Non-food			Total KD		
	Food KD	Catering KD	Services KD	Sub-total KD	FMCG & HC KD	Industrial KD		Sub-total KD	Corporate KD
Revenue	120,916,958	30,572,227	12,936,305	164,425,490	75,033,680	5,675,768	80,709,448	1,650	245,136,588
Segment profit/ (loss)	3,698,988	(213,974)	1,760,180	5,245,194	6,972,462	863,678	7,836,140	(2,981,507)	10,099,827
Total assets	125,737,944	27,373,944	10,761,341	163,873,229	89,461,069	11,917,180	101,378,249	2,221,155	267,472,633
Total liabilities	25,596,702	11,193,227	3,614,124	40,404,053	22,805,782	2,641,121	25,446,903	81,552,664	147,403,620

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	30 June 2021 (Unaudited)									
	Food			Non-food			Corporate			
	Food KD	Catering KD	Services KD	Sub-total KD	FMCG & HC KD	Industrial KD	Jordan KD	Afghanistan KD	Iraq KD	Total KD
Revenues	63,154,412	15,182,944	6,894,245	85,231,601	46,037,149	2,760,751	-	48,797,900	749	134,030,250
Segment profit/ (loss)	4,018,824	376,905	1,001,547	5,397,276	5,284,030	518,014	-	5,802,044	(2,444,100)	8,755,220
Total assets	116,026,250	26,707,116	10,104,147	152,837,513	66,239,207	9,753,989	-	75,993,196	27,878,603	256,709,312
Total liabilities	24,760,143	9,152,428	3,269,531	37,182,102	17,819,063	2,737,244	-	20,556,307	78,696,093	136,434,502

ii. The following table present information regarding the Group's geographical area of operation:

	Kingdom of Saudi Arabia							Total KD
	Kuwait KD	United Arab Emirates KD	Qatar KD	Jordan KD	Afghanistan KD	Iraq KD		
30 June 2022 (Unaudited)								
Revenue	97,506,241	17,797,413	9,428,238	4,171,085	-	1,264,634	133,986,193	
Non-current assets	91,140,648	10,755,409	15,246,034	909,266	4	-	126,003,526	
31 December 2021 (Audited)								
Revenue	177,535,231	31,561,574	20,116,404	7,254,652	849,056	2,502,242	245,136,588	
Non-current assets	91,460,508	11,025,335	12,894,463	904,125	99	-	122,887,151	
30 June 2021 (Unaudited)								
Revenue	101,386,874	14,636,541	9,615,634	3,575,195	850,124	1,200,879	134,030,250	
Non-current assets	86,709,273	11,479,779	11,585,203	972,472	628	-	117,138,834	

Notes to the condensed consolidated interim financial information (Unaudited)
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17. Fair value measurement

Fair value of financial instruments

Financial instruments comprise of financial assets and financial liabilities. Fair values of all financial instruments are not materially different from their carrying values. For financial assets and financial liabilities that are liquid or having a short-term maturity, it is assumed that the carrying amounts approximate to their fair value.

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2021.

Determination of fair value and fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: quoted prices in active market for the same instrument;

Level 2: quoted prices in active market for similar instruments or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

The following table shows a reconciliation of investment at fair value through other comprehensive income from the opening balances to the closing balances for Level 3 fair values.

	2022	2021
	KD	KD
Balance at 1 January (Audited)	3,087,886	3,215,593
Change in fair value	<u>(938,265)</u>	<u>284,620</u>
Balance at 30 June (Unaudited)	<u>2,149,621</u>	<u>3,500,213</u>

Valuation methods and assumption

The Group invests in a private equity company that is not quoted in an active market. Transactions in such investment do not occur on a regular basis. The Group uses a market-based valuation technique for these positions. The Group determines comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value. The Group classifies the fair value of these investments as Level 3.

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for the six-month period ended 30 June 2022

Description of significant unobservable inputs to valuation

	<i>Valuation techniques</i>	<i>Significant unobservable inputs</i>	<i>Range</i>	<i>Sensitivity of the input to fair value</i>
Unquoted investment securities	Market approach	DLOM *	20% - 30%	Increase (decrease) in the discount would decrease (increase) the fair value.

* Discount for lack of marketability (“DLOM”) represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Fair value of biological assets

The following table shows the movement of biological assets from the opening balances to the closing balances for Level 2 fair values.

	2022	2021
	KD	KD
Balance at 1 January (Audited)	793,091	821,317
Write offs	(3,360)	(6,474)
Purchase of livestock	92,212	-
Sale of livestock	(27,754)	(22,777)
Changes in fair value	49,603	66,454
Balance at 30 June (Unaudited)	<u>903,792</u>	<u>858,520</u>

18. Financial risk management

All aspects of the Group’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Group for the year ended 31 December 2021.

19. Contingencies and commitments

i. Contingencies

At the reporting date, the Group had the following contingent liabilities in respect of letters of guarantee granted by banks from which it is anticipated that no material liabilities will arise:

	30 June	31 December	30 June
	2022	2021	2021
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
Letters of guarantee	21,456,263	22,308,625	21,303,669

Letters of guarantee commit the Group to make payments on behalf of subsidiaries in the event of a specific act, generally related to the import or export of goods and performance guarantees.

**Mezzan Holding Company K.S.C.P and subsidiaries
State of Kuwait**

**Notes to the condensed consolidated interim financial information (Unaudited)
for the six-month period ended 30 June 2022**

Legal claims

Further to above, the Group is involved in various incidental claims and legal proceedings matters. The legal counsel of the Group believes that these matters will not have a material adverse effect on the accompanying condensed consolidated interim financial information.

ii. *Commitments*

	30 June 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 June 2021 KD (Unaudited)
<i>Capital expenditure commitments</i>			
Property, plant and equipment	5,260,778	7,479,119	5,750,038
Intangible assets	186,275	182,604	279,519
	<u>5,447,053</u>	<u>7,661,723</u>	<u>6,029,557</u>

20. Annual General Assembly

The Shareholders in their annual general meeting held on 22 May 2022 approved the audited consolidated financial statements of the Group for the year ended 31 December 2021 and the payment of cash dividend of 16 fils per share (31 December 2020: 18 fils per share). Furthermore, the shareholders approved distribution of bonus shares of 2% from the paid up share capital from treasury shares to the shareholders registered as on 07 June 2022 (cum-dividend date).

21. Impact of Covid-19

The Group's operating environment has rebound and signs of economic recovery is visible across the region and globally. The key assumptions about the future and other key sources of estimation that may have a significant risk of causing material adjustments to the condensed consolidated interim financial information is disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2021.