ميـزان القـابضـة ش.م.ك.ع
MEZZAN HOLDING K.S.C.P.

Date: 10/11/2022

Ref.: MHC/Disclosure/2022/ 074

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 30/09/2022

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 30/09/2022.

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, 14th November 2022 at 03:00 pm Kuwait Local Time.

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

Link: https://www.mezzan.com/investor-relations/investor-overview/

Mezzan Holding Company KSCP

Mohamed Jassim AlWazzan

Vice 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	2022-09-30	اختر من القائمة

Board of Directors Meeting Date	2022-11-10	تاريخ اجتماع مجلس الإدارة

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 وإرفاق هذه المستندات

التغيير (%) Change (%)	فترة التسعة اشهر المقارنة Nine Month Comparative Period	فترة التسعة اشهر الحالية Nine Month Current Period	البيان Statement
	2021-09-30	2022-09-30	
(168.41%)	9,530,605	(6,519,458)	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
(167.88%)	31.20	(21.18)	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
(1.61%)	141,762,188	139,486,183	الموجودات المتداولة Current Assets
1.78%	260,121,098	264,757,712	إجمالي الموجودات Total Assets
14.54%	127,282,947	145,791,559	المطلوبات المتداولة Current Liabilities
14.03%	138,782,770	158,259,279	إجمالي المطلوبات Total Liabilities
(13.04%)	112,634,049	97,947,936	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
(8.38%)	40,477,671	37,084,930	إجمالي الإيرادات التشغيلية Total Operating Revenue
(158.29%)	10,759,040	(6,271,132)	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
	NA	NA	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%)	الربع الثالث المقارن	الربع الثالث الحالي	البيان
Change (%)	Third quarter Comparative Period	Third quarter Current Period	Statement
	2021-09-30	2022-09-30	
(466.98%)	2,291,039	(8,407,561)	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
(463.31%)	7.44	(27.03)	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
4.41%	10,971,187	11,454,800	إجمالي الإيرادات التشغيلية Total Operating Revenue
(444.83%)	2,409,289	(8,307,956)	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 company recorded a net operating loss for the nine months period ended 30/9/2022 of KD 6.3 million, due to the drop in gross profit and the recording of expected credit losses.	تسجيل خسائر تشغيلية لفترة التسعة أشهر المنتهية في 2022/9/30 بقيمة 6.3 مليون دينار كويتي و ذلك بسبب إنخفاض هامش الربح و تسجيل خسائر إئتمان متوقعة.

Total Revenue realized from dealing with related parties (value, KWD)	KWD 15,681	بلغ اجمالي الايرادات من التعاملات مع الاطراف ذات الصلة (المبلغ د.ك.)

Total Expenditures incurred from dealing with related parties (value, KWD)	KWD 10,194,187	بلغ اجمالي المصروفات من التعاملات مع الاطراف ذات الصلة (المبلغ د.ك.)

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

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 تعبئته

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	Not Applicable / لا ينطبق

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

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		نائب رئيس مجلس الإدارة Vice Chairman	محمد جاسم الوزان Mohammed 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 nine months ended 30 September 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 September 2022, and the related interim condensed consolidated statements of profit or loss, 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. 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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
10 November 2022

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

Interim condensed consolidated statement of financial position (Unaudited)

as at 30 September 2022

	Notes	30 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Assets				
Property, plant and equipment	*4*	79,632,406	77,101,119	75,999,158
Right of use assets		2,570,083	3,725,469	1,510,542
Intangible assets	*5*	35,038,233	33,097,846	31,931,251
Investment in associates		1,099,645	1,301,935	1,207,404
Investment property	*6*	3,796,212	3,779,805	3,794,639
Biological assets	*18*	915,890	793,091	862,826
Investments at fair value through other comprehensive income	*18*	2,219,060	3,087,886	3,053,090
Non-current assets		125,271,529	122,887,151	118,358,910
Inventories	*7*	52,066,886	54,813,361	46,589,308
Trade and other receivables	*8*	69,993,465	70,458,804	75,672,413
Cash and bank balances	*10*	17,425,832	19,313,317	19,500,467
Current assets		139,486,183	144,585,482	141,762,188
Total assets		264,757,712	267,472,633	260,121,098
Equity				
Share capital		31,132,500	31,132,500	31,132,500
Treasury shares	*11*	(114,667)	(2,343,017)	(2,077,820)
Treasury shares reserve		-	228,415	221,342
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		1,405,845	2,274,671	2,239,875
Foreign currency translation reserve		(226,237)	(540,831)	(643,991)
Other reserve		(4,513,320)	(4,513,320)	(4,528,072)
Retained earnings		37,061,145	51,987,607	53,087,545
Equity attributable to shareholders of the Company		97,947,936	111,428,695	112,634,049
Non-controlling interests		8,550,497	8,640,318	8,704,279
Total equity		106,498,433	120,069,013	121,338,328
Liabilities				
Lease liabilities		1,474,697	2,327,987	796,009
Trade and other payables	*13*	2,003,006	2,003,006	1,944,666
Retirement benefit obligation		8,990,017	8,758,725	8,759,148
Non-current liabilities		12,467,720	13,089,718	11,499,823
Loans and borrowings	*12*	75,443,885	68,421,000	68,636,420
Bank overdrafts	*10*	7,114,327	3,902,658	4,313,604
Lease liabilities		1,118,017	1,481,790	645,661
Trade and other payables	*13*	62,115,330	60,508,454	53,687,262
Current liabilities		145,791,559	134,313,902	127,282,947
Total liabilities		158,259,279	147,403,620	138,782,770
Total equity and liabilities		264,757,712	267,472,633	260,121,098

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

Mohammed Jassim Al Wazzan
Vice 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 nine-month periods ended 30 September 2022

	Notes	Three months period ended 30 September		Nine months period ended 30 September	
		2022	2021	2022	2021
		KD	KD	KD	KD
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue		60,557,101	57,193,564	194,543,294	191,223,814
Cost of revenue		(49,102,301)	(46,222,377)	(157,458,364)	(150,746,143)
Gross profit		11,454,800	10,971,187	37,084,930	40,477,671
Selling and distribution expenses		(5,081,652)	(3,491,041)	(15,366,597)	(13,762,931)
General and administrative expenses	*14*	(13,762,590)	(4,449,412)	(25,516,276)	(14,087,941)
Other (expense) / income	*15*	(54,216)	49,062	(26,161)	426,397
Results from operating activities		(7,443,658)	3,079,796	(3,824,104)	13,053,196
Finance costs		(948,514)	(493,397)	(2,384,457)	(1,712,026)
Share of results of associates		-	20,237	76,442	20,686
(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		(8,392,172)	2,606,636	(6,132,119)	11,361,856
KFAS		21,113	(24,884)	-	(101,334)
NLST		58,466	(109,796)	(59,546)	(318,726)
Zakat		23,387	(43,917)	(23,217)	(126,506)
Board of directors' remuneration	*9*	(18,750)	(18,750)	(56,250)	(56,250)
(Loss)/ profit for the period		(8,307,956)	2,409,289	(6,271,132)	10,759,040
(Loss)/ profit attributable to:					
Shareholders of the Company		(8,407,561)	2,291,039	(6,519,458)	9,530,605
Non-controlling interests		99,605	118,250	248,326	1,228,435
		(8,307,956)	2,409,289	(6,271,132)	10,759,040
(Loss)/ earnings per share (basic and diluted) (fils)	*16*	(27.03) fils	7.44 fils	(21.18) fils	31.20 fils

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 nine-month periods ended 30 September 2022

	Three months period ended 30 September		Nine months period ended 30 September	
	2022 KD (Unaudited)	2021 KD (Unaudited)	2022 KD (Unaudited)	2021 KD (Unaudited)
(Loss)/Profit for the period	(8,307,956)	2,409,289	(6,271,132)	10,759,040
Other comprehensive (loss) / income				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences on foreign operations	190,031	81,921	388,140	(161,039)
Net investment hedge- net (loss) / gain	(44,694)	(6,995)	(91,330)	19,936
	145,337	74,926	296,810	(141,103)
Items that will not be reclassified subsequently to profit or loss				
Change in fair value of investment at fair value through other comprehensive income	69,439	(485,424)	(868,826)	(162,503)
Other comprehensive income / (loss)	214,776	(410,498)	(572,016)	(303,606)
Total comprehensive (loss) / income for the period	(8,093,180)	1,998,791	(6,843,148)	10,455,434
Total comprehensive (loss) / income attributable to:				
Shareholders of the Company	(8,173,457)	1,877,620	(7,073,690)	9,262,777
Non-controlling interests	80,277	121,171	230,542	1,192,657
Total comprehensive (loss) / income for the period	(8,093,180)	1,998,791	(6,843,148)	10,455,434

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 nine-month period ended 30 September 2022

	Attributable to shareholders of the Company											
	Share Capital KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Other reserve KD	Retained earnings KD	Total KD	Non-controlling interests KD	Total equity 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 (loss) / income for the period												
(Loss) / profit for the period	-	-	-	-	-	-	-	-	(6,519,458)	(6,519,458)	248,326	(6,271,132)
Other comprehensive (loss) / income												
Change in fair value	-	-	-	-	-	(868,826)	-	-	-	(868,826)	-	(868,826)
Foreign currency translation	-	-	-	-	-	-	314,594	-	-	314,594	(17,784)	296,810
Total comprehensive (loss) / income for the period	-	-	-	-	-	(868,826)	314,594	-	(6,519,458)	(7,073,690)	230,542	(6,843,148)
Dividends (note 21)	-	-	-	-	-	-	-	-	(4,879,536)	(4,879,536)	-	(4,879,536)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	(320,363)	(320,363)
Purchase of treasury shares	-	(1,527,533)	-	-	-	-	-	-	-	(1,527,533)	-	(1,527,533)
Treasury shares given to shareholders as dividend (note 21)	-	3,755,883	(228,415)	-	-	-	-	-	(3,527,468)	-	-	-
Balance at 30 September 2022	31,132,500	(114,667)	-	16,601,335	16,601,335	1,405,845	(226,237)	(4,513,320)	37,061,145	97,947,936	8,550,497	106,498,433

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 nine-month period ended 30 September 2022

	Attributable to shareholders of the Company											
	Share capital KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Other reserve KD	Retained earnings KD	Total KD	Non-controlling interests KD	Total equity 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	-	-	-	-	-	-	-	-	9,530,605	9,530,605	1,228,435	10,759,040
Other comprehensive (loss)/ income												
Change in fair value	-	-	-	-	-	(162,503)	-	-	-	(162,503)	-	(162,503)
Foreign currency translation	-	-	-	-	-	-	(102,802)	-	-	(102,802)	(38,301)	(141,103)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(162,503)	(102,802)	-	9,530,605	9,265,300	1,190,134	10,455,434
Dividends (note 21)	-	-	-	-	-	-	-	-	(5,444,190)	(5,444,190)	-	(5,444,190)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	(718,558)	(718,558)
Change in non-controlling interest	-	-	-	-	-	-	-	(2,523)	-	(2,523)	2,523	-
Purchase of treasury shares	-	(756,644)	-	-	-	-	-	-	-	(756,644)	-	(756,644)
Sale of treasury shares	-	144,194	7,322	-	-	-	-	-	-	151,516	-	151,516
Treasury shares given to shareholders as dividend (note 21)	-	4,082,265	214,020	-	-	-	-	-	(4,296,285)	-	-	-
Balance at 30 September 2021	31,132,500	(2,077,820)	221,342	16,601,335	16,601,335	2,239,875	(643,991)	(4,528,072)	53,087,545	112,634,049	8,704,279	121,338,328

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 nine-month period ended 30 September 2022

	Notes	Nine months period ended 30 September 2022 KD (Unaudited)	2021 KD (Unaudited)
Cash flows from operating activities			
(Loss)/profit for the period before contribution to KFAS, NLST, Zakat and board of directors' remuneration		(6,132,119)	11,361,856
Adjustment for:			
Depreciation		6,604,414	6,210,902
Amortisation of intangible assets	5	254,514	284,752
Share of results of associates		(76,442)	(20,686)
Provision for retirement benefit obligation		1,114,463	1,094,708
Provision for obsolete and slow-moving inventories	7	985,708	154,818
Provision for expected credit losses	8	6,834,004	720,211
(Loss) / gain on disposal of property, plant and equipment	15	86,643	(9,006)
Gain on revaluation of biological assets	18	(91,453)	(107,363)
Gain on disposal of biological assets		(7,206)	(3,425)
Write-off of biological assets	18	15,252	14,361
Finance costs		2,384,457	1,712,026
Dividend income		(60,095)	(98,338)
Foreign currency exchange loss / (gain)	15	147,842	(110,100)
		12,059,982	21,204,716
Changes in:			
- inventories		1,849,758	3,241,780
- trade and other receivables		(6,549,005)	(9,363,605)
- related parties balances- net		(2,722,184)	1,173,677
- trade and other payables		4,064,093	2,322,268
Cash generated from operating activities		8,702,644	18,578,836
Employees' retirement benefit obligation paid		(973,796)	(825,391)
Net cash from operating activities		7,728,848	17,753,445
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(7,481,532)	(6,113,179)
Proceeds from disposal of property, plant and equipment		74,062	32,366
Proceeds from sale of treasury shares		-	151,516
Purchase of intangible assets	5	(1,806,000)	(2,527,619)
Proceeds from disposal of intangible assets		-	30,000
Purchase of biological assets	18	(92,212)	-
Proceeds from disposal of biological assets		52,820	54,918
Dividend received		338,827	116,593
Net cash used in investing activities		(8,914,035)	(8,255,405)
Cash flows from financing activities			
Proceeds from loans and borrowings		9,416,480	7,579,371
Repayment of loans and borrowings		(3,281,695)	(8,626,070)
Payment of lease liability		(1,137,043)	(923,516)
Dividend paid to shareholders of the Company		(4,879,536)	(5,444,190)
Dividend paid by subsidiaries		(320,363)	(718,558)
Purchase of treasury shares		(1,527,533)	(756,644)
Payment of finance costs		(2,384,457)	(1,647,963)
Net cash used in financing activities		(4,114,147)	(10,537,570)
Effect of foreign exchange differences		200,180	(121,994)
Net change in cash and cash equivalents		(5,099,154)	(1,161,524)
Cash and cash equivalents at the beginning of the period		15,410,659	16,348,387
Cash and cash equivalents at the end of the period	10	10,311,505	15,186,863

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

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 nine months period ended 30 September 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 10 November 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 nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the year ending 31 December 2022.

This condensed consolidated interim financial information has been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business, as management expects that maturing financial obligations can be met through cash inflows from operations and utilization of undrawn facilities. As of 30 September 2022, the Group's current liabilities exceeded its current assets by KD 6,305,376 (31 December 2021: Nil; 30 September 2021: Nil). The condensed consolidated interim financial information do not include any adjustments that might arise due to uncertainty of the Group's ability to continue as a going concern.

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.

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 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Net fixed assets	68,723,985	68,241,572	68,706,461
Capital work in progress	10,908,421	8,859,547	7,292,697
	79,632,406	77,101,119	75,999,158

During the nine-month period ended 30 September 2022, the Group acquired property and equipment amounting to KD 7,481,532 (30 September 2021: KD 6,113,179). Depreciation charged for the period amounted to KD 5,416,377 (30 September 2021: KD 5,252,894).

5. Intangible assets

	30 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Goodwill	23,359,483	23,078,128	23,048,339
Other intangible assets	11,678,750	10,019,718	8,882,912
	35,038,233	33,097,846	31,931,251

During the nine-month period ended 30 September 2022, the Group acquired intangible assets amounting to KD 1,806,000 (30 September 2021: 2,527,619)

Amortisation charged for the period amounted to KD 254,514 (30 September 2021: KD 284,752).

6. Investment property

	30 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Balance at 1 January	3,779,805	3,891,222	3,891,222
Depreciation	(76,913)	(101,523)	(75,896)
Net foreign exchange differences	93,320	(9,894)	(20,687)
	3,796,212	3,779,805	3,794,639

As at 30 September 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 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Goods for resale	34,447,509	38,209,423	29,182,544
Raw materials and consumables	14,941,185	13,819,099	13,431,646
Finished goods and work in progress	2,711,654	2,851,148	2,458,718
Goods in transit	1,822,834	2,006,926	3,553,018
	53,923,182	56,886,596	48,625,926
Provision for obsolete and slow-moving inventories	(1,856,296)	(2,073,235)	(2,036,618)
	52,066,886	54,813,361	46,589,308

The current period provision for obsolete and slow-moving inventories of KD 985,708 (30 September 2021: KD 154,818) is included in cost of revenue in the interim condensed consolidated statement of profit or loss.

8. Trade and other receivables

	30 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Trade receivables	67,722,947	63,206,229	66,846,227
Provision for expected credit losses	(17,061,108)	(10,380,414)	(10,001,358)
	50,661,839	52,825,815	56,844,869
Advances to suppliers	13,012,056	12,159,490	13,134,423
Prepaid expenses	2,003,181	1,321,364	1,861,083
Refundable deposits	800,212	756,699	1,205,124
Due from related parties (Note 9)	12,631	34,519	336,845
Other receivables	3,503,546	3,360,917	2,290,069
	69,993,465	70,458,804	75,672,413

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	6,834,004	720,211
Write offs	(311,762)	(142,861)
Effect of movement in exchange rates	158,452	(17,225)
Balance at 30 September (Unaudited)	17,061,108	10,001,358

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 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Balances with related parties			
Due from related parties (Note 8)			
Other than shareholders and associates	12,631	34,519	336,845

	30 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Due to related parties (Note 13)			
Shareholders	60,137	73,668	73,667
Associates	2,900	2,775	784
Other related parties	3,732,779	6,463,445	3,175,967
	3,795,816	6,539,888	3,250,418

	Three-month period ended 30 September		Nine month period ended 30 September	
	2022 KD (Unaudited)	2021 KD (Unaudited)	2022 KD (Unaudited)	2021 KD (Unaudited)
Transactions with related parties				
Sales				
Shareholders	2,716	1,608	8,340	5,833
Other related parties	838	9,368	7,341	28,969
	3,554	10,976	15,681	34,802
Cost of revenue				
Other related parties	3,489,255	3,788,526	9,939,953	11,677,458
General and administrative expenses				
Other related parties	70,050	106,232	254,234	354,475
Key management compensation				
Salaries and other short-term benefits	478,747	504,613	1,980,477	2,659,595
Retirement benefit obligation	27,575	29,329	81,861	84,818
	506,322	533,942	2,062,338	2,744,413
Board of directors' remuneration	18,750	18,750	56,250	56,250

10. Cash and cash equivalents

	30 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Cash and bank balances	17,425,832	19,313,317	19,500,467
Bank overdrafts	(7,114,327)	(3,902,658)	(4,313,604)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	10,311,505	15,410,659	15,186,863

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 4% to 4.50% (31 December 2021: 2.5% to 5% and 30 September 2021: 2.5% to 3.25%) per annum.

11. Treasury shares

	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Number of shares	354,680	3,825,000	3,373,500
Percentage of share capital (%)	0.11%	1.23%	1.08%
Cost ("KD")	114,667	2,343,017	2,077,820
Market value ("KD")	132,650	2,252,925	2,145,546

12. Loans and borrowings

	30 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Kuwaiti Dinars	42,134,785	36,000,000	36,306,370
US Dollars	33,309,100	32,421,000	32,330,050
	75,443,885	68,421,000	68,636,420

This represents various unsecured revolving credit facilities from local and foreign banks to fund its operational requirements. These loans carry effective interest rates of 3.23% to 4.0% (31 December 2021: 1.61% to 2.50% and 30 September 2021: 1.53% to 2.50%) per annum.

13. Trade and other payables

	30 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	30 September 2021 KD (Unaudited)
Non Current Portion			
Other Payables	2,003,006	2,003,006	1,944,666
Current Portion			
Trade payables	34,576,501	35,137,390	33,645,868
Accrued expenses	19,356,282	13,900,576	14,228,585
Advances from customers	20,863	86,650	17,867
Payables to related parties (Note 9)	3,795,816	6,539,888	3,250,418
Other payables	4,365,868	4,843,950	2,544,524
	62,115,330	60,508,454	53,687,262

14. General and administrative expenses

	Three months period ended 30 September		Nine months period ended 30 September	
	2022 KD (Unaudited)	2021 KD (Unaudited)	2022 KD (Unaudited)	2021 KD (Unaudited)
Staff expenses	3,238,793	2,115,139	8,117,210	6,677,556
Other administrative and provision expenses	10,044,951	1,801,612	15,972,841	5,783,811
Depreciation and amortization	478,846	532,661	1,426,225	1,626,574
	13,762,590	4,449,412	25,516,276	14,087,941

15. Other (expense) / income

	Three months period ended 30 September		Nine months period ended 30 September	
	2022 KD (Unaudited)	2021 KD (Unaudited)	2022 KD (Unaudited)	2021 KD (Unaudited)
(Loss)/gain on disposal of property, plant and equipment	(130,108)	(1,626)	(86,643)	9,006
Foreign currency exchange (loss) / gain	(54,516)	(18,518)	(147,842)	110,100
Dividend income	-	289	60,095	98,627
Other income	130,408	68,917	148,229	208,664
	(54,216)	49,062	(26,161)	426,397

16. 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 September		Nine month period ended 30 September	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss) / profit for the period (KD)	(8,407,561)	2,291,039	(6,519,458)	9,530,605
Weighted average number of ordinary shares outstanding during the period (after excluding treasury shares)	311,065,972	308,076,463	307,819,219	305,499,554
(Loss) / earnings per share	(27.03) fils	7.44 fils	(21.18) fils	31.20 fils

17. 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.

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

	30 September 2022 (Unaudited)								
	Food				Non-food			Corporate	
	Food KD	*Catering* KD	*Services* KD	*Sub-total* KD	*FMCG & HC* KD	*Industrial* KD	*Sub-total* KD	KD	*Total* KD
Revenues	101,209,399	20,598,025	9,525,606	131,333,030	58,565,031	4,642,203	63,207,234	3,030	194,543,294
Segment profit/ (loss)	464,714	(8,368,174)	1,413,288	(6,490,172)	2,517,735	502,748	3,020,483	(2,662,430)	(6,132,119)
Total Assets	129,086,445	21,106,640	13,180,593	163,373,678	87,550,885	10,023,383	97,574,268	3,809,766	264,757,712
Total Liabilities	27,843,972	11,102,615	4,357,608	43,304,195	22,666,111	2,799,447	25,465,558	89,489,526	158,259,279

	31 December 2021 (Audited)`								
	Food				Non-food			Corporate	
	Food KD	*Catering* KD	*Services* KD	*Sub-total* KD	*FMCG & HC* KD	*Industrial* KD	*Sub-total* KD	KD	*Total* 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

	30 September 2021 (Unaudited)								
	Food				Non-food			Corporate	
	Food KD	*Catering* KD	*Services* KD	*Sub-total* KD	*FMCG & HC* KD	*Industrial* KD	*Sub-total* KD	KD	*Total* KD
Revenues	91,324,732	22,911,779	9,949,959	124,186,470	62,836,860	4,199,284	67,036,144	1,200	191,223,814
Segment profit/ (loss)	4,800,580	683,718	1,483,116	6,967,414	6,624,216	629,907	7,254,123	(2,859,681)	11,361,856
Total assets	123,774,792	27,779,109	10,942,723	162,496,624	83,696,448	9,703,349	93,399,797	4,224,677	260,121,098
Total liabilities	24,145,859	9,744,434	2,884,618	36,774,911	19,719,181	2,764,439	22,483,620	79,524,239	138,782,770

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

	Kuwait KD	Kingdom of Saudi Arabia KD	United Arab Emirates KD	Qatar KD	Jordan KD	Afghanistan KD	Iraq KD	Total KD
30 September 2022 (Unaudited)								
Revenue	138,577,450	5,688,450	26,520,167	15,226,771	6,472,739	-	2,057,717	194,543,294
Non-current assets	90,635,753	8,004,947	10,719,411	15,018,699	892,715	4	-	125,271,529
31 December 2021 (Audited)								
Revenue	177,535,231	5,317,429	31,561,574	20,116,404	7,254,652	849,056	2,502,242	245,136,588
Non-current assets	91,460,508	6,602,621	11,025,335	12,894,463	904,125	99	-	122,887,151
30 September 2021 (Unaudited)								
Revenue	141,569,348	4,171,907	22,561,004	14,796,816	5,415,231	848,606	1,860,902	191,223,814
Non-current assets	88,064,730	6,279,166	11,218,103	11,851,268	945,476	167	-	118,358,910

18. 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 KD	2021 KD
Balance at 1 January (Audited)	3,087,886	3,215,593
Change in fair value	(868,826)	(162,503)
Balance at 30 September (Unaudited)	2,219,060	3,053,090

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.

Description of significant unobservable inputs to valuation

	Valuation techniques	*Significant unobservable inputs*	*Range*	*Sensitivity of the input to fair value*
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 KD	**2021 KD**
Balance at 1 January (Audited)	793,091	821,317
Write offs	(15,252)	(14,361)
Purchase of livestock	92,212	-
Sale of livestock	(45,614)	(54,918)
Changes in fair value	91,453	110,788
Balance at 30 September (Unaudited)	915,890	862,826

19. 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.

20. 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 September 2022 KD (Unaudited)	**31 December 2021 KD (Audited)**	**30 September 2021 KD (Unaudited)**
Letters of guarantee	20,729,233	22,308,625	22,902,495

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.

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 September 2022 KD (Unaudited)	31 December 2021 KD (Audited)	31 September 2021 KD (Unaudited)
Capital expenditure commitments			
Property, plant and equipment	5,701,486	7,479,119	5,823,007
Intangible assets	514,515	182,604	229,405
	6,216,001	7,661,723	6,052,412

21. 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).