

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

**Independent auditor's review report and interim condensed
consolidated financial information (Unaudited)
for the three months ended 31 March 2024**

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

Report on Review of Interim Financial Information

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 31 March 2024, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated 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.

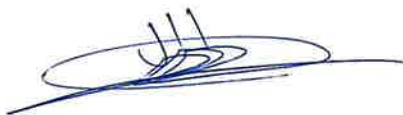
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated 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 interim condensed consolidated 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 three-month period ended 31 March 2024 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 three-month period ended 31 March 2024 that might have had a material effect on the business of the Company or on its financial position.



Talal Y. Al-Muzaini
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Deloitte & Touche - Al Wazzan & Co.

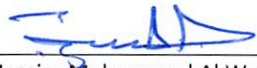
Kuwait
12 May 2024

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

Interim condensed consolidated statement of financial position (Unaudited) - as at 31 March 2024

		31 March 2024	31 December 2023	31 March 2023
		KD	KD	KD
	Notes	(Unaudited)	(Audited)	(Unaudited)
Assets				
Property, plant and equipment	4	78,129,678	78,043,089	77,750,168
Right of use assets		3,020,729	3,169,189	2,822,480
Intangible assets	5	35,081,413	34,976,184	34,901,719
Investment in associates		1,060,012	997,181	1,496,563
Investment property	6	3,607,536	3,625,290	3,697,629
Biological assets	18	1,307,191	1,113,020	913,324
Investments at fair value through other comprehensive income	18	2,540,826	2,334,854	2,272,821
Non-current assets		124,747,385	124,258,807	123,854,704
Inventories	7	50,723,939	57,439,544	54,601,303
Trade and other receivables	8	85,747,400	71,418,025	74,060,325
Cash and bank balances	10	31,868,043	28,072,654	24,883,176
Current assets		168,339,382	156,930,223	153,544,804
Total assets		293,086,767	281,189,030	277,399,508
Equity				
Share capital		31,132,500	31,132,500	31,132,500
Treasury shares	11	(431,305)	(431,305)	(568,387)
Treasury shares reserve		80,155	80,155	-
Statutory reserve		16,601,335	16,601,335	16,601,335
Voluntary reserve		18,400,271	17,799,282	16,601,335
Fair value reserve		1,727,611	1,521,639	1,459,606
Foreign currency translation reserve		(405,795)	(407,063)	(340,408)
Other reserve		(3,998,988)	(4,483,433)	(4,252,426)
Retained earnings		53,275,337	48,158,221	45,884,320
Equity attributable to shareholders of the Company		116,381,121	109,971,331	106,517,875
Non-controlling interests		9,492,455	9,526,494	8,915,411
Total equity		125,873,576	119,497,825	115,433,286
Liabilities				
Lease liabilities		1,720,522	2,019,951	1,677,801
Retirement benefit obligation		8,525,483	8,643,683	8,161,643
Non-current liabilities		10,246,005	10,663,634	9,839,444
Loans and borrowings	12	77,142,330	76,413,945	70,229,860
Bank overdrafts	10	12,572,580	10,786,891	10,698,605
Lease liabilities		1,251,536	1,215,167	1,188,983
Trade and other payables	13	66,000,740	62,611,568	70,009,330
Current liabilities		156,967,186	151,027,571	152,126,778
Total liabilities		167,213,191	161,691,205	161,966,222
Total equity and liabilities		293,086,767	281,189,030	277,399,508

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


Motasem Jassim Mohammed Al Wazzan
Vice Chairman


Amr Wafik Farghal
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-month period ended 31 March 2024

	Notes	Three months period ended	
		31 March	
		2024	2023
		KD	KD
		(Unaudited)	(Unaudited)
Revenue		85,466,900	78,955,918
Cost of revenue		(66,185,104)	(62,492,116)
Gross profit		19,281,796	16,463,802
Selling and distribution expenses		(6,592,321)	(5,973,619)
General and administrative expenses	14	(5,714,426)	(4,483,080)
Other income	15	926,672	136,592
Results from operating activities		7,901,721	6,143,695
Finance costs		(1,587,570)	(1,393,066)
Share of results of associates		62,831	49,896
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		6,376,982	4,800,525
KFAS		(60,099)	(44,666)
NLST		(152,099)	(94,200)
Zakat		(60,839)	(37,681)
Board of directors' remuneration	9	(18,750)	(18,750)
Profit for the period		6,085,195	4,605,228
Profit attributable to:			
Shareholders of the Company		5,718,105	4,271,280
Non-controlling interests		367,090	333,948
		6,085,195	4,605,228
Earnings per share (basic and diluted) (fils)	16	18.44	13.76

The accompanying notes 1 to 21 form an integral part of these interim condensed consolidated 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-month period ended 31 March 2024

	Three months period ended	
	31 March	
	2024	2023
	KD	KD
	(Unaudited)	(Unaudited)
Profit for the period	6,085,195	4,605,228
<i>Other comprehensive income/(loss)</i>		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Foreign currency translation differences on foreign operations	(6,817)	(2,527)
Net investment hedge- net income/loss	8,070	(16,992)
	<u>1,253</u>	<u>(19,519)</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	205,972	(206,024)
<i>Other comprehensive income/(loss)</i>	<u>207,225</u>	<u>(225,543)</u>
Total comprehensive income for the period	<u><u>6,292,420</u></u>	<u><u>4,379,685</u></u>
Total comprehensive income attributable to:		
Shareholders of the Company	5,925,345	4,048,638
Non-controlling interests	367,075	331,047
Total comprehensive income for the period	<u><u>6,292,420</u></u>	<u><u>4,379,685</u></u>

The accompanying notes 1 to 21 form an integral part of these interim condensed consolidated 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 three-month period ended 31 March 2024

	Attributable to shareholders of the Company											
	Share Capital	Treasury shares	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
Balance at 1 January 2024	31,132,500	(431,305)	80,155	16,601,335	17,799,282	1,521,639	(407,063)	(4,483,433)	48,158,221	109,971,331	9,526,494	119,497,825
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	5,718,105	5,718,105	367,090	6,085,195
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other comprehensive income/(loss)</i>	-	-	-	-	-	205,972	-	-	-	205,972	-	205,972
Change in fair value (Note 18)	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-	1,268	-	-	1,268	(15)	1,253
Total comprehensive income for the period	-	-	-	-	-	205,972	1,268	-	5,718,105	5,925,345	367,075	6,292,420
Transfer to reserve	-	-	-	-	600,989	-	-	-	(600,989)	-	-	-
Adjustment arising from change in noncontrolling interest	-	-	-	-	-	-	-	484,445	-	484,445	(401,114)	83,331
Balance at 31 March 2024	31,132,500	(431,305)	80,155	16,601,335	18,400,271	1,727,611	(405,795)	(3,998,988)	53,275,337	116,381,121	9,492,455	125,873,576

The accompanying notes 1 to 21 form an integral part of these interim condensed consolidated 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 three-month period ended 31 March 2024

	Attributable to shareholders of the Company												Total equity
	Share capital	Treasury shares	Treasury shares reserve	Statutory reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total	
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	
Balance at 1 January 2023	31,132,500	(267,585)	-	16,601,335	16,601,335	1,665,630	(323,790)	(4,252,426)	41,613,040	102,770,039	8,584,364	111,354,403	
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	4,271,280	4,271,280	333,948	4,605,228	
Profit for the period	-	-	-	-	-	-	-	-	4,271,280	4,271,280	333,948	4,605,228	
<i>Other comprehensive loss</i>	-	-	-	-	-	(206,024)	-	-	-	(206,024)	-	(206,024)	
Change in fair value (Note 18)	-	-	-	-	-	(206,024)	-	-	-	(206,024)	-	(206,024)	
Foreign currency translation	-	-	-	-	-	-	(16,618)	-	-	(16,618)	(2,901)	(19,519)	
Total comprehensive (loss)/income for the period	-	-	-	-	-	(206,024)	(16,618)	-	4,271,280	4,048,638	331,047	4,379,685	
Purchase of treasury shares	-	(300,802)	-	-	-	-	-	-	-	(300,802)	-	(300,802)	
Balance at 31 March 2023	31,132,500	(568,387)	-	16,601,335	16,601,335	1,459,606	(340,408)	(4,252,426)	45,884,320	106,517,875	8,915,411	115,433,286	

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

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

Interim condensed consolidated statement of cash flows (Unaudited)

for the three-month period ended 31 March 2024

	Notes	Three months period ended 31 March	
		2024	2023
		KD (Unaudited)	KD (Unaudited)
Cash flows from operating activities			
Profit for the period before contribution to KFAS, NLST, Zakat and board of directors' remuneration		6,376,982	4,800,525
<i>Adjustment for:</i>			
Depreciation		2,055,052	2,011,713
Amortisation of intangible assets	5	106,327	115,114
Share of results of associates		(62,831)	(49,896)
Provision for retirement benefit obligation		369,720	356,677
Provision for obsolete and slow-moving inventories	7	281,473	358,079
Provision/(reversal) for expected credit losses	8	72,987	(261,423)
Gain on disposal of property, plant and equipment	15	(250,060)	(46,969)
Gain on revaluation of biological assets	18	(27,188)	(16,637)
Gain on disposal of biological assets		(5,701)	(4,104)
Write-off of biological assets	18	9,330	4,026
Dividend Income		(78,670)	-
Finance costs		1,587,570	1,393,066
Foreign currency exchange gain	15	(90,230)	(3,025)
		<u>10,344,761</u>	<u>8,657,146</u>
<i>Changes in:</i>			
- inventories		6,433,286	4,636,464
- trade and other receivables		(14,396,169)	(7,001,865)
- related parties balances- net		452,806	(232,326)
- trade and other payables		2,638,533	6,034,524
Cash generated from operating activities		<u>5,473,217</u>	<u>12,093,943</u>
Employees' retirement benefit obligation paid		<u>(490,973)</u>	<u>(940,658)</u>
<i>Net cash from operating activities</i>		<u>4,982,244</u>	<u>11,153,285</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(2,285,288)	(862,809)
Proceeds from disposal of property, plant and equipment		802,446	51,561
Purchase of intangible assets	5	(120,443)	-
Purchase of biological assets	18	(194,180)	-
Proceeds from disposal of biological assets		23,568	21,010
Dividend received		78,670	-
Movement in term deposits		(250,000)	(2,564,465)
Movement in restricted balance and margin deposits		1,946	-
<i>Net cash used in investing activities</i>		<u>(1,943,281)</u>	<u>(3,354,703)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		7,000,000	-
Repayment of loans and borrowings		(6,299,370)	-
Payment of lease liabilities		(505,146)	(424,919)
Purchase of treasury shares		-	(300,802)
Payment of finance costs		(1,435,454)	(1,393,066)
<i>Net cash used in financing activities</i>		<u>(1,239,970)</u>	<u>(2,118,787)</u>
Effect of foreign exchange differences		<u>(37,347)</u>	<u>(27,267)</u>
Net change in cash and cash equivalents		<u>1,761,646</u>	<u>5,652,528</u>
Cash and cash equivalents at the beginning of the period		<u>14,707,659</u>	<u>5,967,578</u>
Cash and cash equivalents at the end of the period	10	<u>16,469,305</u>	<u>11,620,106</u>

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

Notes to the interim condensed consolidated financial information (Unaudited)
for the three-month period ended 31 March 2024

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 interim condensed consolidated financial information as at and for the three months period ended 31 March 2024 comprise of the Company and its subsidiaries (together referred to as “the Group”) and its investment in associates.

This interim condensed consolidated financial information were authorised for issue by the Company’s board of directors on 12 May 2024

2. Basis of accounting

These interim condensed consolidated 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 2023 (‘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 three-month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024.

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023.

2.1 New standards and amendments effective from 1 January 2024

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the previous financial year, except for the amendments to IFRSs which are effective for annual accounting period starting from 1 January 2024.

Notes to the interim condensed consolidated financial information (Unaudited)
for the three-month period ended 31 March 2024

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. This amendment does not have any material impact on the Group's financial information.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early. This amendment does not have any material impact on the Group's financial information.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2024 did not have any material impact on the accounting policies, financial position or performance of the Group.

3. Judgments and estimates

The preparation of interim condensed consolidated 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 interim condensed consolidated 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 2023.

4. Property, plant and equipment

	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2023</u>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
Net fixed assets	70,313,832	68,976,034	67,429,260
Capital work in progress	7,815,846	9,067,055	10,320,908
	<u>78,129,678</u>	<u>78,043,089</u>	<u>77,750,168</u>

Notes to the interim condensed consolidated financial information (Unaudited)
for the three-month period ended 31 March 2024

During the three months period ended 31 March 2024, the Group acquired property and equipment amounting to KD 2,285,288 (31 March 2023: KD 862,809). Depreciation charged for the period amounted to KD 1,634,424 (31 March 2023: KD 1,623,418).

5. Intangible assets

	31 March 2024	31 December 2023	31 March 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
Goodwill	23,243,738	23,221,335	23,215,112
Other intangible assets	11,837,675	11,754,849	11,686,607
	35,081,413	34,976,184	34,901,719

During the three-month period ended 31 March 2024, the Group acquired intangible assets amounting to KD 120,443 (31 March 2023: nil).

Amortisation charged for the period amounted to KD 106,327 (31 March 2023: KD 115,114)

6. Investment property

	31 March 2024	31 December 2023	31 March 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
Balance at 1 January	3,625,290	3,717,125	3,717,125
Depreciation	(25,721)	(103,349)	(25,365)
Net foreign exchange differences	7,967	11,514	5,869
	3,607,536	3,625,290	3,697,629

As at 31 March 2024, the management does not anticipate any significant change in fair value of investment properties compared to 31 December 2023.

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 30 years.

7. Inventories

	31 March 2024	31 December 2023	31 March 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
Goods for resale	32,416,716	39,008,412	34,969,951
Raw materials and consumables	12,500,259	14,138,480	13,548,706
Finished goods and work in progress	3,350,473	4,542,717	4,001,779
Goods in transit	3,833,383	998,382	3,836,314
	52,100,831	58,687,991	56,356,750
Provision for obsolete and slow-moving inventories	(1,376,892)	(1,248,447)	(1,755,447)
	50,723,939	57,439,544	54,601,303

Notes to the interim condensed consolidated financial information (Unaudited)
for the three-month period ended 31 March 2024

The current period charge of provision for obsolete and slow-moving inventories of KD 281,473 (31 March 2023: KD 358,079) is included in cost of revenue in the interim condensed consolidated statement of profit or loss.

8. Trade and other receivables

	31 March 2024	31 December 2023	31 March 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
Trade receivables	75,156,929	67,906,501	70,629,652
Provision for expected credit losses	(14,555,938)	(14,466,933)	(16,504,896)
	60,600,991	53,439,568	54,124,756
Advances to suppliers and prepayments	20,167,493	13,818,079	15,819,165
Refundable deposits	784,873	786,236	821,752
Due from related parties (Note 9)	36,967	9,476	13,293
Other receivables	4,157,076	3,364,666	3,281,359
	85,747,400	71,418,025	74,060,325

Movement of provision for expected credit losses is as follows:

	2024	2023
	KD	KD
Balance at 1 January (Audited)	14,466,934	16,768,386
Charge/(reversal) for the period	72,987	(261,423)
Write offs	(5,278)	(11,097)
Effect of movement in exchange rates	21,295	9,030
Balance at 31 March (Unaudited)	14,555,938	16,504,896

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

	31 March 2024	31 December 2023	31 March 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
Balances with related parties			
<i>Due from related parties (Note 8)</i>			
Other than shareholders and associates	36,967	9,476	13,293

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	31 March 2024	31 December 2023	31 March 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
<i>Due to related parties (Note 13)</i>			
Shareholders	41,968	49,015	53,246
Associates	3,668	3,668	3,668
Other related parties	3,170,465	2,683,121	6,099,512
	<u>3,216,101</u>	<u>2,735,804</u>	<u>6,156,426</u>
		Three months period ended 31 March (Unaudited)	
		2024	2023
		KD	KD
Transactions with related parties			
<i>Sales</i>			
Shareholders		10,593	8,382
Other related parties		1,271	1,253
		<u>11,864</u>	<u>9,635</u>
<i>Purchases</i>			
Other related parties		3,220,121	2,276,120
<i>General and administrative expenses</i>			
Other related parties		78,690	82,912
Key management compensation			
Salaries and other short-term benefits		542,961	520,403
Retirement benefit obligation		27,831	27,313
		<u>570,792</u>	<u>547,716</u>
Board of directors' remuneration		18,750	18,750

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10. Cash and cash equivalents

	31 March 2024	31 December 2023	31 March 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
Cash and current accounts with banks	29,300,838	25,755,449	22,318,711
Term deposits with banks	2,567,205	2,317,205	2,564,465
Cash and bank balances	31,868,043	28,072,654	24,883,176
Less: Bank overdrafts	(12,572,580)	(10,786,891)	(10,698,605)
Less: Restricted balance	(67,756)	(69,819)	-
Less: Margin deposits	(191,197)	(191,080)	-
Less: Term deposits with original maturities of three months or more	(2,567,205)	(2,317,205)	(2,564,465)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	16,469,305	14,707,659	11,620,106

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 5.00% to 7.00% (31 December 2023: 5.00% to 7.00% and 31 March 2023: 5.00% to 5.15%) per annum.

Term deposits are denominated in Kuwaiti Dinars and are placed with local banks carrying an effective rate of interest of 3.75% (31 December 2023: 5.25% and 31 March 2023: 5.25%) per annum.

11. Treasury shares

	31 March 2024	31 December 2023	31 March 2023
	(Unaudited)	(Audited)	(Unaudited)
Number of shares	1,157,765	1,157,765	1,599,000
Percentage of share capital (%)	0.37%	0.37%	0.51%
Cost ("KD")	431,305	431,305	568,387
Market value ("KD")	787,280	665,715	585,234

12. Loans and borrowings

	31 March 2024	31 December 2023	31 March 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
<i>Denominated in:</i>			
Kuwaiti Dinars	63,995,000	63,294,370	42,134,785
US Dollars	13,147,330	13,119,575	28,095,075
	77,142,330	76,413,945	70,229,860

The Group obtained various unsecured revolving credit facilities from local and foreign banks to fund its operational requirements. These loans carry effective interest rates of 5.00% to 7.28% (31 December 2023: 4.5% to 7.31% and 31 March 2023: 4.75% to 6.58%) per annum.

Notes to the interim condensed consolidated financial information (Unaudited)
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13. Trade and other payables

	31 March 2024	31 December 2023	31 March 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
Trade payables	38,623,330	35,639,849	37,462,875
Accrued expenses	21,282,045	19,727,333	22,092,279
Advances from customers	35,369	26,712	52,446
Due to related parties (Note 9)	3,216,101	2,735,804	6,156,426
KFAS payable	187,024	126,925	133,841
Other payables	2,656,871	4,354,945	4,111,463
	<u>66,000,740</u>	<u>62,611,568</u>	<u>70,009,330</u>

14. General and administrative expenses

	Three months period ended 31 March (Unaudited)	
	2024	2023
	KD	KD
Staff costs	2,739,154	2,352,105
Depreciation and amortization	555,165	518,767
Other administrative and provision expenses	2,420,107	1,612,208
	<u>5,714,426</u>	<u>4,483,080</u>

15. Other income

	Three months period ended 31 March (Unaudited)	
	2024	2023
	KD	KD
Gain on disposal of property, plant and equipment	250,060	46,969
Commission income	107,205	-
Other income	569,407	89,623
	<u>926,672</u>	<u>136,592</u>

16. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the 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 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 earnings per share are identical.

Notes to the interim condensed consolidated financial information (Unaudited)
for the three-month period ended 31 March 2024

	Three months period ended	
	31 March (Unaudited)	
	2024	2023
Profit for the period (KD)	5,718,105	4,271,280
Weighted average number of ordinary shares outstanding during the period (after excluding treasury shares)	310,167,235	310,486,748
Earnings per share (fils)	18.44	13.76

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 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.

Notes to the interim condensed consolidated financial information (Unaudited)
for the three-month period ended 31 March 2024

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

	31 March 2024 (Unaudited)									
	Food			Non-food			Corporate			Total
	Catering	Services	Sub-total	FMCG & HC	Industrial	Sub-total	Corporate	Total		
	KD	KD	KD	KD	KD	KD	KD	KD	KD	
Revenue	43,604,145	4,815,813	4,074,754	52,494,712	31,248,975	1,722,763	32,971,738	450	85,466,900	
Segment profit/ (loss)	3,547,100	335,881	524,532	4,407,513	3,656,353	281,970	3,938,323	(1,968,854)	6,376,982	
Total assets	133,198,130	19,947,954	15,896,110	169,042,194	109,343,202	13,201,238	122,544,440	1,500,133	293,086,767	
Total liabilities	32,235,576	6,873,836	2,709,737	41,819,149	27,451,941	2,125,858	29,577,799	95,816,243	167,213,191	
	31 December 2023 (Audited)									
	Food			Non-food			Corporate			Total
	Catering	Services	Sub-total	FMCG & HC	Industrial	Sub-total	Corporate	Total		
	KD	KD	KD	KD	KD	KD	KD	KD	KD	

Revenue	143,194,664	21,058,131	13,988,256	178,241,051	86,403,825	6,531,549	92,935,374	2,040	271,178,465
Segment profit/ (loss)	8,985,826	784,116	2,187,198	11,957,140	7,733,516	1,161,973	8,895,489	(7,603,929)	13,248,700
Total assets	128,584,802	21,656,360	13,216,874	163,458,036	102,445,047	12,828,704	115,273,751	2,457,243	281,189,030
Total liabilities	26,964,531	7,778,385	3,387,472	38,130,388	30,413,939	2,145,878	32,559,817	91,001,000	161,691,205

Notes to the interim condensed consolidated financial information (Unaudited)
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		31 March 2023 (Unaudited)									
		Food			Non-food			Corporate			Total
		Catering	Services	Sub-total	FMCG & HC	Industrial	Sub-total	Corporate	Total		
		KD	KD	KD	KD	KD	KD	KD	KD	KD	
Revenue		40,231,710	5,480,771	3,327,573	49,040,054	28,029,066	1,886,348	29,915,414	450	78,955,918	
Segment profit/ (loss)		2,325,459	(172,990)	677,217	2,829,686	3,214,690	318,981	3,533,671	(1,562,832)	4,800,525	
Total assets		135,024,525	23,061,499	13,281,893	171,367,917	91,755,780	12,533,470	104,289,250	1,742,341	277,399,508	
Total liabilities		33,032,223	10,688,928	4,895,099	48,616,250	25,969,229	2,637,990	28,607,219	84,742,753	161,966,222	

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

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	Kuwait	Kingdom of Saudi Arabia	United Arab Emirates	Qatar	Jordan	Iraq	Total
	KD	KD	KD	KD	KD	KD	KD
31 March 2024 (Unaudited)							
Revenue	65,435,289	2,190,948	9,362,852	4,345,075	3,412,176	720,560	85,466,900
Non-current assets	93,108,687	7,999,554	10,525,715	12,396,559	716,870	-	124,747,385
31 December 2023 (Audited)							
Revenue	195,579,333	7,530,023	35,249,492	19,229,409	10,657,038	2,933,170	271,178,465
Non-current assets	91,687,964	8,530,145	10,634,398	12,663,497	742,803	-	124,258,807
31 March 2023 (Unaudited)							
Revenue	59,564,137	2,079,748	8,847,173	5,381,448	2,448,990	634,422	78,955,918
Non-current assets	90,743,259	8,397,400	10,519,551	13,369,065	825,429	-	123,854,704

Notes to the interim condensed consolidated financial information (Unaudited)
for the three-month period ended 31 March 2024

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 2023.

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.

	<u>2024</u>	<u>2023</u>
	<u>KD</u>	<u>KD</u>
Balance at 1 January (Audited)	2,334,854	2,478,845
Change in fair value	205,972	(206,024)
Balance at 31 March (Unaudited)	<u>2,540,826</u>	<u>2,272,821</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.

Description of significant unobservable inputs to valuation

	<i>Valuation techniques</i>	<i>Significant unobservable inputs</i>	<i>Rate</i>	<i>Sensitivity of the input to fair value</i>
Unquoted investment securities	Market approach	DLOM *	25%	Increase (decrease) in the discount would decrease (increase) the fair value.

Notes to the interim condensed consolidated financial information (Unaudited)
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* 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.

Reconciliation and fair value of biological assets

The following table shows a reconciliation and fair value of biological assets from the opening balances to the closing balances for Level 2 fair values.

	<u>2024</u>	<u>2023</u>
	<u>KD</u>	<u>KD</u>
Balance at 1 January (Audited)	1,113,020	917,619
Write offs	(9,330)	(4,026)
Purchase of livestock	194,180	-
Sale of livestock	(17,867)	(16,906)
Changes in fair value	27,188	16,637
Balance at 31 March (Unaudited)	<u>1,307,191</u>	<u>913,324</u>

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 2023.

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:

	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>
	<u>2024</u>	<u>2023</u>	<u>2023</u>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
Letters of guarantee	21,596,681	22,693,092	20,528,258
Letters of credit	9,146,413	8,694,650	6,036,873

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. The legal counsel of the Group believes that these matters will not have a material adverse effect on the accompanying interim condensed consolidated financial information.

ii. Commitments

	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>
	<u>2024</u>	<u>2023</u>	<u>2023</u>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
<i>Capital expenditure commitments</i>			
Property, plant and equipment	46,722,269	45,457,972	27,278,504
Intangible assets	2,177,272	2,216,426	845,005
	<u>48,899,541</u>	<u>47,674,398</u>	<u>28,123,509</u>

21. Annual General Assembly

The Shareholders in their annual general meeting held on 29 April 2024 approved the audited consolidated financial statements of the Group for the year ended 31 December 2023 and the payment of cash dividend of 20 fils per share (31 December 2022: 12 fils per share) on outstanding shares (excluding treasury shares) for the year ended 31 December 2023.