



Date: 07/11/2024

Ref.: MHC/Disclosure/2024/ 133

Boursa Kuwait Company

Mubarak Al Kabeer St.
AlSharq, Kuwait
P.O.Box 22235 Safat, 13073 Kuwait

Subject: Disclosure from Mezzan on results of the interim financial statements for the period ended on 30/09/2024

Reference to the above subject and pursuant to the provisions of Article (4), 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 30/09/2024.

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, 11th November 2024 at 02:00 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
للشركات 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	2024-09-30	اختر من القائمة
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Board of Directors Meeting Date	2024-11-07	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 التسعة اشهر المقارنة	فترة التسعة اشهر الحالية	البيان
Change (%)	Nine Month Comparative Period	Nine Month Current Period	Statement
	2023-09-30	2024-09-30	
37.6%	8,104,010	11,150,021	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
37.4%	26.13	35.91	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
9.6%	147,147,886	161,229,732	الموجودات المتداولة Current Assets
6.8%	270,814,361	289,302,255	إجمالي الموجودات Total Assets
5.6%	145,072,408	153,255,309	المطلوبات المتداولة Current Liabilities
5.6%	154,738,972	163,373,216	إجمالي المطلوبات Total Liabilities
9.5%	106,922,359	117,056,369	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
16.9%	44,024,107	51,466,890	إجمالي الإيرادات التشغيلية Total Operating Revenue
33.5%	8,999,701	12,011,914	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 (%) Change (%)	الربع الثالث المقارن	الربع الثالث الحالي	البيان Statement
	Third quarter Comparison Period 2023-09-30	Third quarter Current Period 2024-09-30	
24.7%	2,158,402	2,692,466	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
24.5%	6.96	8.66	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
14.3%	14,454,552	16,528,188	إجمالي الإيرادات التشغيلية Total Operating Revenue
23.6%	2,397,423	2,963,273	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)
For the nine-month period ended 30 September 2024, net profit increased compared to the same period in 2023, primarily driven by revenue growth, alongside improved gross margin and operating profit. The revenue increase reflects strengthened demand across key segments, supported by initiatives to expand market reach and optimize the product mix. Additionally, the gross margin improvement indicates effective cost management and operational efficiencies that have contributed positively to the group's profitability.	بالنسبة لفترة التسعة أشهر المنتهية في 30 سبتمبر 2024، ارتفع صافي الربح مقارنة بالفترة نفسها من عام 2023، مدفوعاً في المقام الأول بنمو الإيرادات، إلى جانب تحسن هامش الربح الإجمالي والأرباح التشغيلية. وتعكس الزيادة في الإيرادات الطلب المتزايد عبر القطاعات الرئيسية، مدعومة بمبادرات لتطوير عمليات التوزيع وتحسين مزيج المنتجات. بالإضافة إلى ذلك، يشير تحسن هامش الربح الإجمالي إلى الإدارة الفعالة للتكاليف والكفاءات التشغيلية التي ساهمت بشكل إيجابي في ربحية المجموعة.

Total Revenue realized from dealing with related parties (value, KWD)	KWD 23,218	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
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Total Expenditures incurred from dealing with related parties (value, KWD)	KWD 10,442,070	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
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Auditor Opinion			رأي مراقب الحسابات
1.	Unqualified Opinion	<input checked="" type="checkbox"/>	1. رأي غير متحفظ
2.	Qualified Opinion	<input type="checkbox"/>	2. رأي متحفظ
3.	Disclaimer of Opinion	<input type="checkbox"/>	3. عدم إبداء الرأي
4.	Adverse Opinion	<input type="checkbox"/>	4. 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 تعبئته

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

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Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
Not Applicable لا ينطبق	Not Applicable لا ينطبق		توزيعات نقدية Cash Dividends
Not Applicable لا ينطبق	Not Applicable لا ينطبق		توزيعات أسهم منحة Bonus Share
Not Applicable لا ينطبق	Not Applicable لا ينطبق		توزيعات أخرى Other Dividend
Not Applicable لا ينطبق	Not Applicable لا ينطبق		عدم توزيع أرباح No Dividends
-	Not Applicable لا ينطبق	علاوة الإصدار Issue Premium	Not Applicable لا ينطبق
-	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
		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 interim condensed
consolidated financial information (Unaudited)
for the nine months ended 30 September 2024**

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

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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 30 September 2024, 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 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 nine-month period ended 30 September 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 nine-month period ended 30 September 2024 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.

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

Interim condensed consolidated statement of financial position (Unaudited)
as at 30 September 2024

		<u>30 September</u> <u>2024</u>	<u>31 December</u> <u>2023</u>	<u>30 September</u> <u>2023</u>
		KD	KD	KD
	Notes	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
Assets				
Property, plant and equipment	4	81,501,008	78,043,089	78,042,897
Right of use assets		2,296,854	3,169,189	2,211,619
Intangible assets	5	34,948,835	34,976,184	34,903,671
Investment in associates		1,016,138	997,181	1,538,850
Investment property	6	3,525,074	3,625,290	3,678,042
Biological assets	18	1,293,718	1,113,020	918,998
Investments at fair value through other comprehensive income	18	3,490,896	2,334,854	2,372,399
Non-current assets		<u>128,072,523</u>	<u>124,258,807</u>	<u>123,666,476</u>
Inventories	7	58,175,823	57,439,544	54,019,648
Trade and other receivables	8	83,962,335	71,418,025	72,089,036
Cash and bank balances	10	19,091,574	28,072,654	21,039,201
Current assets		<u>161,229,732</u>	<u>156,930,223</u>	<u>147,147,885</u>
Total assets		<u>289,302,255</u>	<u>281,189,030</u>	<u>270,814,361</u>
Equity				
Share capital		31,132,500	31,132,500	31,132,500
Treasury shares	11	(102,032)	(431,305)	(406,202)
Treasury shares reserve		478,769	80,155	80,155
Statutory reserve		16,601,335	16,601,335	16,601,335
Voluntary reserve		18,972,017	17,799,282	16,601,335
Fair value reserve		2,468,342	1,521,639	1,559,184
Foreign currency translation reserve		(418,581)	(407,063)	(393,860)
Other reserve		(3,998,988)	(4,483,433)	(4,252,426)
Retained earnings		51,923,007	48,158,221	46,000,338
Equity attributable to shareholders of the Company		<u>117,056,369</u>	<u>109,971,331</u>	<u>106,922,359</u>
Non-controlling interests		8,872,670	9,526,494	9,153,030
Total equity		<u>125,929,039</u>	<u>119,497,825</u>	<u>116,075,389</u>
Liabilities				
Lease liabilities		1,312,679	2,019,951	1,211,717
Retirement benefit obligation		8,805,228	8,643,683	8,454,847
Non-current liabilities		<u>10,117,907</u>	<u>10,663,634</u>	<u>9,666,564</u>
Loans and borrowings	12	82,611,639	76,413,945	71,132,785
Bank overdrafts	10	3,258,055	10,786,891	13,482,485
Lease liabilities		926,083	1,215,167	992,768
Trade and other payables	13	66,459,532	62,611,568	59,464,370
Current liabilities		<u>153,255,309</u>	<u>151,027,571</u>	<u>145,072,408</u>
Total liabilities		<u>163,373,216</u>	<u>161,691,205</u>	<u>154,738,972</u>
Total equity and liabilities		<u>289,302,255</u>	<u>281,189,030</u>	<u>270,814,361</u>

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


 Motasem Jassim Mohamed Al - Wazzan
 Chairman


 Amy Wafik Farghal
 Chief Executive Officer



Interim condensed consolidated statement of profit or loss (Unaudited)
for the three and nine-month periods ended 30 September 2024

Notes	Three months period ended 30 September		Nine months period ended 30 September	
	2024	2023	2024	2023
	KD	KD	KD	KD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	68,560,675	65,157,363	220,727,079	205,547,939
Cost of revenue	(52,032,487)	(50,702,811)	(169,260,189)	(161,523,832)
Gross profit	16,528,188	14,454,552	51,466,890	44,024,107
Selling and distribution expenses	(6,459,531)	(6,035,960)	(18,782,953)	(17,550,156)
General and administrative expenses	14 (5,154,371)	(5,198,709)	(16,551,745)	(13,915,371)
Other (expense)/income	15 (271,312)	658,961	1,110,768	860,956
Results from operating activities	4,642,974	3,878,844	17,242,960	13,419,536
Finance costs	(1,530,055)	(1,437,961)	(4,698,236)	(4,186,332)
Share of results of associates	(18,317)	-	44,514	128,693
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	3,094,602	2,440,883	12,589,238	9,361,897
KFAS	(28,238)	(22,019)	(117,273)	(84,662)
NLST	(60,243)	(1,922)	(288,429)	(158,060)
Zakat	(24,098)	(769)	(115,372)	(63,224)
Board of directors' remuneration	9 (18,750)	(18,750)	(56,250)	(56,250)
Profit for the period	2,963,273	2,397,423	12,011,914	8,999,701
Profit attributable to:				
Shareholders of the Company	2,692,466	2,158,402	11,150,021	8,104,010
Non-controlling interests	270,807	239,021	861,893	895,691
	2,963,273	2,397,423	12,011,914	8,999,701
Earnings per share (basic and diluted) (fils)	16 8.66	6.96	35.91	26.13

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 and nine-month periods ended 30 September 2024

	Three months period ended 30 September		Nine months period ended 30 September	
	2024	2023	2024	2023
	KD	KD	KD	KD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	2,963,273	2,397,423	12,011,914	8,999,701
Other comprehensive income/(loss)				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences on foreign operations	22,451	(12,649)	22,540	(43,418)
Net investment hedge- net loss	(46,220)	(21,569)	(44,279)	(29,149)
	(23,769)	(34,218)	(21,739)	(72,567)
<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	838,022	(45,734)	946,703	(106,446)
<i>Other comprehensive income/(loss)</i>	814,253	(79,952)	924,964	(179,013)
Total comprehensive income for the period	3,777,526	2,317,471	12,936,878	8,820,688
Total comprehensive income attributable to:				
Shareholders of the Company	3,517,245	2,078,572	12,085,206	7,927,494
Non-controlling interests	260,281	238,899	851,672	893,194
Total comprehensive income for the period	3,777,526	2,317,471	12,936,878	8,820,688

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 nine-month period ended 30 September 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	-	-	-	-	-	-	-	-	11,150,021	11,150,021	861,893	12,011,914
Profit for the period	-	-	-	-	-	-	-	-	11,150,021	11,150,021	861,893	12,011,914
<i>Other comprehensive income/(loss)</i>	-	-	-	-	-	946,703	-	-	-	946,703	-	946,703
Change in fair value (Note 18)	-	-	-	-	-	946,703	-	-	-	946,703	-	946,703
Foreign currency translation	-	-	-	-	-	-	(11,518)	-	-	(11,518)	(10,221)	(21,739)
Total comprehensive income/(loss) for the period	-	-	-	-	-	946,703	(11,518)	-	11,150,021	12,085,206	851,672	12,936,878
Dividends (Note 21)	-	-	-	-	-	-	-	-	(6,212,500)	(6,212,500)	-	(6,212,500)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,104,382)	(1,104,382)
Sale of treasury shares	-	329,273	398,614	-	-	-	-	-	-	727,887	-	727,887
Transfer to Reserve	-	-	-	-	1,172,735	-	-	-	(1,172,735)	-	-	-
Adjustment arising from change in non-controlling interest	-	-	-	-	-	-	-	484,445	-	484,445	(401,114)	83,331
Balance at 30 September 2024	31,132,500	(102,032)	478,769	16,601,335	18,972,017	2,468,342	(418,581)	(3,998,988)	51,923,007	117,056,369	8,872,670	125,929,039

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 nine-month period ended 30 September 2024**

	Attributable to shareholders of the Company											
	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	
Balance at 1 January 2023	31,132,500	(267,585)	-	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	-	-	-	-	-	-	-	8,104,010	8,104,010	895,691	8,999,701	
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	
<i>Other comprehensive loss</i>	-	-	-	-	(106,446)	-	-	-	(106,446)	-	(106,446)	
Change in fair value (Note 18)	-	-	-	-	-	-	-	-	-	-	-	
Foreign currency translation	-	-	-	-	-	(70,070)	-	-	(70,070)	(2,497)	(72,567)	
Total comprehensive (loss)/income for the period	-	-	-	-	(106,446)	(70,070)	-	8,104,010	7,927,494	893,194	8,820,688	
Dividends (Note 21)	-	-	-	-	-	-	-	(3,716,712)	(3,716,712)	-	(3,716,712)	
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	(324,528)	(324,528)	
Purchase of treasury shares	-	(321,172)	-	-	-	-	-	-	(321,172)	-	(321,172)	
Treasury shares given to shareholders as dividend (Note 21)	-	182,555	80,155	-	-	-	-	-	262,710	-	262,710	
Balance at 30 September 2023	31,132,500	(406,202)	80,155	16,601,335	1,559,184	(393,860)	(4,252,426)	46,000,338	106,922,359	9,153,030	116,075,389	

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 nine-month period ended 30 September 2024**

	Notes	Nine months period ended 30 September	
		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		12,589,238	9,361,897
<i>Adjustment for:</i>			
Depreciation		6,154,768	6,001,201
Amortisation of intangible assets	5	327,412	326,269
Share of results of associates		(44,514)	(128,693)
Provision for retirement benefit obligation		1,215,064	1,166,570
Provision for obsolete and slow-moving inventories	7	983,154	637,508
Reversal for expected credit losses	8	(474,192)	(260,450)
Gain on disposal of property, plant and equipment	15	(770,315)	(179,136)
Gain on revaluation of biological assets	18	(96,709)	(70,432)
Gain on disposal of biological assets		(11,842)	(12,945)
Loss on derecognition of lease liabilities		1,029	10,015
Write-off of biological assets	18	55,055	10,810
Finance costs		4,698,236	4,186,332
Dividend income		(78,670)	(65,558)
Foreign currency exchange loss/(gain)		326,300	(372,374)
		<u>24,874,014</u>	<u>20,611,014</u>
<i>Changes in:</i>			
- inventories		(1,723,198)	4,977,800
- trade and other receivables		(12,121,754)	(5,037,937)
- related parties balances- net		2,777,474	(3,493,957)
- trade and other payables		41,016	(1,196,590)
Cash generated from operating activities		<u>13,847,552</u>	<u>15,860,330</u>
Employees' retirement benefit obligation paid		(1,044,546)	(1,469,402)
Net cash from operating activities		<u>12,803,006</u>	<u>14,390,928</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(9,667,518)	(5,231,877)
Proceeds from disposal of property, plant and equipment		1,711,929	978,715
Purchase of Investments at fair value through other comprehensive income		(209,339)	-
Purchase of intangible assets	5	(180,479)	-
Purchase of biological assets	18	(194,180)	-
Proceeds from disposal of biological assets		66,978	71,188
Dividend received		78,670	65,558
Dividend income received from associate		25,557	36,510
Movement in term deposit		2,250,000	(2,250,000)
Movement in restricted balance and margin deposits		(250,676)	(151,159)
Net cash used in investing activities		<u>(6,369,058)</u>	<u>(6,481,065)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		12,582,464	3,000,000
Repayment of loans and borrowings		(6,299,370)	(2,300,250)
Payment of lease liabilities		(1,291,546)	(1,087,218)
Dividends paid to equity holders of the Company		(6,157,315)	(3,716,712)
Dividends paid by subsidiaries		(1,104,382)	(324,528)
Purchase of treasury shares		-	(321,172)
Proceeds from sale of treasury shares		727,887	262,710
Payment of finance costs		(4,555,921)	(4,111,195)
Net cash used in financing activities		<u>(6,098,183)</u>	<u>(8,598,365)</u>
Effect of foreign exchange differences		211,315	(123,519)
Net change in cash and cash equivalents		<u>547,080</u>	<u>(812,021)</u>
Cash and cash equivalents at the beginning of the period		<u>14,707,659</u>	<u>5,650,967</u>
Cash and cash equivalents at the end of the period	10	<u>15,254,739</u>	<u>4,838,946</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 nine-month period ended 30 September 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, Ardiya, Kuwait.

The interim condensed consolidated financial information as at and for the nine months period ended 30 September 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 07 November 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 nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024.

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.

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.

Notes to the interim condensed consolidated financial information (Unaudited)
for the nine-month period ended 30 September 2024

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>30 September</u> <u>2024</u>	<u>31 December</u> <u>2023</u>	<u>30 September</u> <u>2023</u>
	KD	KD	KD
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
Net fixed assets	68,647,116	68,976,034	69,794,013
Capital work in progress	12,853,892	9,067,055	8,248,884
	<u>81,501,008</u>	<u>78,043,089</u>	<u>78,042,897</u>

During the nine-month period ended 30 September 2024, the Group acquired property and equipment amounting to KD 9,667,518 (30 September 2023: KD 5,231,877). Depreciation charged for the period amounted to KD 4,919,872 (30 September 2023: KD 4,949,368).

**Notes to the interim condensed consolidated financial information (Unaudited)
for the nine-month period ended 30 September 2024**

5. Intangible assets

	<u>30 September 2024</u>	<u>31 December 2023</u>	<u>30 September 2023</u>
	KD	KD	KD
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
Goodwill	23,154,047	23,221,335	23,298,499
Other intangible assets	11,794,788	11,754,849	11,605,172
	<u>34,948,835</u>	<u>34,976,184</u>	<u>34,903,671</u>

During the nine-month period ended 30 September 2024, the Group acquired intangible assets amounting to KD 180,479 (30 September 2023: Nil)

Amortisation charged for the period amounted to KD 327,412 (30 September 2023: KD 326,269).

6. Investment property

	<u>30 September 2024</u>	<u>31 December 2023</u>	<u>30 September 2023</u>
	KD	KD	KD
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
Balance at 1 January	3,625,290	3,717,125	3,717,125
Depreciation	(77,239)	(103,349)	(77,186)
Net foreign exchange differences	(22,977)	11,514	38,103
	<u>3,525,074</u>	<u>3,625,290</u>	<u>3,678,042</u>

As at 30 September 2024, the management does not anticipate any significant change in fair value of investment property compared to 31 December 2023.

At the reporting date, the investment property 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

	<u>30 September 2024</u>	<u>31 December 2023</u>	<u>30 September 2023</u>
	KD	KD	KD
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
Goods for resale	35,985,868	39,008,412	35,022,852
Raw materials and consumables	15,586,447	14,138,480	13,926,838
Finished goods and work in progress	4,260,864	4,542,717	3,859,565
Goods in transit	3,826,090	998,382	2,729,553
	<u>59,659,269</u>	<u>58,687,991</u>	<u>55,538,808</u>
Provision for obsolete and slow-moving inventories	(1,483,446)	(1,248,447)	(1,519,160)
	<u>58,175,823</u>	<u>57,439,544</u>	<u>54,019,648</u>

The current period charge of provision for obsolete and slow-moving inventories of KD 983,154 (30 September 2023: KD 637,508) is included in cost of revenue in the interim condensed consolidated statement of profit or loss.

**Notes to the interim condensed consolidated financial information (Unaudited)
for the nine-month period ended 30 September 2024**

8. Trade and other receivables

	<u>30 September 2024</u>	<u>31 December 2023</u>	<u>30 September 2023</u>
	KD	KD	KD
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
Trade receivables	71,974,241	67,906,501	69,860,948
Provision for expected credit losses	<u>(13,804,147)</u>	<u>(14,466,933)</u>	<u>(15,051,262)</u>
	58,170,094	53,439,568	54,809,686
Advances to suppliers and prepayments	20,548,325	13,818,079	13,518,862
Refundable deposits	914,827	786,236	776,670
Due from related parties (Note 9)	21,157	9,476	88,391
Other receivables	<u>4,307,932</u>	<u>3,364,666</u>	<u>2,895,427</u>
	<u>83,962,335</u>	<u>71,418,025</u>	<u>72,089,036</u>

Movement of provision for expected credit losses is as follows:

	<u>2024</u>	<u>2023</u>
	KD	KD
Balance at 1 January (Audited)	14,466,933	16,768,386
Reversals for the period	(474,192)	(260,450)
Write offs	(125,278)	(1,547,190)
Effect of movement in exchange rates	<u>(63,316)</u>	<u>90,516</u>
Balance at 30 September (Unaudited)	<u>13,804,147</u>	<u>15,051,262</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

	<u>30 September 2024</u>	<u>31 December 2023</u>	<u>30 September 2023</u>
	KD	KD	KD
	<u>(Unaudited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>
Balances with related parties			
<i>Due from related parties (Note 8)</i>			
Other than shareholders and associates	<u>21,157</u>	<u>9,476</u>	<u>88,391</u>

**Notes to the interim condensed consolidated financial information (Unaudited)
for the nine-month period ended 30 September 2024**

	30 September 2024	31 December 2023	30 September 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
<i>Due to related parties (Note 13)</i>			
Shareholders	35,741	49,015	50,765
Associates	3,673	3,668	-
Other related parties	5,485,545	2,683,121	2,919,128
	<u>5,524,959</u>	<u>2,735,804</u>	<u>2,969,893</u>

	Three months period ended 30 September		Nine months period ended 30 September	
	2024	2023	2024	2023
	KD	KD	KD	KD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Transactions with related parties				
<i>Sales</i>				
Shareholders	6,625	1,877	19,893	15,257
Other related parties	943	1,048	3,325	3,650
	<u>7,568</u>	<u>2,925</u>	<u>23,218</u>	<u>18,907</u>
<i>Purchases</i>				
Other related parties	3,158,244	3,315,661	10,228,967	9,400,757
<i>General and administrative expenses</i>				
Other related parties	70,120	72,212	213,103	222,482
Key management compensation				
Salaries and other short-term benefits	569,506	480,270	2,389,081	1,372,749
Retirement benefit obligation	32,017	26,803	89,893	81,108
	<u>601,523</u>	<u>507,073</u>	<u>2,478,974</u>	<u>1,453,857</u>
Board of directors' remuneration	18,750	18,750	56,250	56,250

10. Cash and cash equivalents

	30 September 2024	31 December 2023	30 September 2023
	KD	KD	KD
	(Unaudited)	(Audited)	(Unaudited)
Cash and current accounts with banks	19,024,369	25,755,449	18,724,736
Term deposits with banks	67,205	2,317,205	2,314,465
Cash and bank balances	19,091,574	28,072,654	21,039,201
Less: Bank overdrafts	(3,258,055)	(10,786,891)	(13,482,485)
Less: Restricted balance	(165,942)	(69,819)	(70,670)
Less: Margin deposits	(345,633)	(191,080)	(332,635)
Less: Term deposits with original maturities of three months or more	(67,205)	(2,317,205)	(2,314,465)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	<u>15,254,739</u>	<u>14,707,659</u>	<u>4,838,946</u>

**Notes to the interim condensed consolidated financial information (Unaudited)
for the nine-month period ended 30 September 2024**

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 4.75% to 6.45% (31 December 2023: 5.00% to 7.00% and 30 September 2023: 5.25% to 6.50%) per annum.

Term deposits are denominated in Kuwaiti Dinars and are placed with local banks carrying an effective rate of interest of 4.00% (31 December 2023: 5.25% and 30 September 2023: 4.38%) per annum.

11. Treasury shares

	<u>30 September 2024</u> <u>(Unaudited)</u>	<u>31 December 2023</u> <u>(Audited)</u>	<u>30 September 2023</u> <u>(Unaudited)</u>
Number of shares	273,888	1,157,765	1,107,500
Percentage of share capital (%)	0.09%	0.37%	0.36%
Cost ("KD")	102,032	431,305	406,202
Market value ("KD")	247,321	665,715	562,610

12. Loans and borrowings

	<u>30 September 2024</u> <u>KD</u> <u>(Unaudited)</u>	<u>31 December 2023</u> <u>KD</u> <u>(Audited)</u>	<u>30 September 2023</u> <u>KD</u> <u>(Unaudited)</u>
<i>Denominated in:</i>			
Kuwaiti Dinars	69,577,464	63,294,370	45,134,785
US Dollars	13,034,175	13,119,575	25,998,000
	<u>82,611,639</u>	<u>76,413,945</u>	<u>71,132,785</u>

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 4.75% to 6.85% (31 December 2023: 4.50% to 7.31% and 30 September 2023: 5.00% to 6.91%) per annum.

13. Trade and other payables

	<u>30 September 2024</u> <u>KD</u> <u>(Unaudited)</u>	<u>31 December 2023</u> <u>KD</u> <u>(Audited)</u>	<u>30 September 2023</u> <u>KD</u> <u>(Unaudited)</u>
Trade payables	34,796,635	35,639,849	31,279,020
Accrued expenses	23,297,478	19,727,333	21,392,568
Advances from customers	97,472	-	37,869
Due to related parties (Note 9)	5,524,959	2,735,804	2,969,893
KFAS payable	117,273	126,925	-
Other payables	2,625,715	4,381,657	3,785,020
	<u>66,459,532</u>	<u>62,611,568</u>	<u>59,464,370</u>

Notes to the interim condensed consolidated financial information (Unaudited)
for the nine-month period ended 30 September 2024

14. General and administrative expenses

	Three months period ended		Nine months period ended	
	30 September		30 September	
	2024	2023	2024	2023
	KD	KD	KD	KD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Staff costs	2,879,017	2,597,059	8,111,500	6,755,302
Other administrative and provision expenses	1,687,926	2,066,772	6,742,905	5,558,199
Depreciation and amortization	587,428	534,878	1,697,340	1,601,870
	<u>5,154,371</u>	<u>5,198,709</u>	<u>16,551,745</u>	<u>13,915,371</u>

15. Other (expense) / income

	Three months period ended		Nine months period ended	
	30 September		30 September	
	2024	2023	2024	2023
	KD	KD	KD	KD
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/gain on disposal of property, plant and equipment	(43,978)	113,462	770,315	179,136
Commission income	-	-	107,205	-
Other (expense)/income	(227,334)	545,499	233,248	681,820
	<u>(271,312)</u>	<u>658,961</u>	<u>1,110,768</u>	<u>860,956</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 earnings 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.

	Three months period ended		Nine months period ended	
	30 September		30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period (KD)	2,692,466	2,158,402	11,150,021	8,104,010
Weighted average number of ordinary shares outstanding during the period (after excluding treasury shares)	<u>310,749,906</u>	<u>310,224,668</u>	<u>310,481,476</u>	<u>310,164,611</u>
Earnings per share (fils)	<u>8.66</u>	<u>6.96</u>	<u>35.91</u>	<u>26.13</u>

Notes to the interim condensed consolidated financial information (Unaudited)
for the nine-month period ended 30 September 2024

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.
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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 nine-month period ended 30 September 2024

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

	30 September 2024 (Unaudited)										
	Food					Non-food					Corporate
	Food	Catering	Services	Sub-total	FMCG & HC	Industrial	Sub-total	Total	Food	Catering	
Revenue	118,385,724	12,714,127	12,754,671	143,854,522	72,603,882	4,267,725	76,871,607	950	220,727,079		
Segment profit/ (loss)	10,091,223	720,970	1,601,828	12,414,021	6,347,221	636,213	6,983,434	(6,808,217)	12,589,238		
Total assets	124,301,365	18,329,124	16,593,633	159,224,122	102,612,014	11,579,091	114,191,105	15,887,028	289,302,255		
Total liabilities	31,004,262	5,488,387	3,461,511	39,954,160	26,068,151	2,639,984	28,708,135	94,710,921	163,373,216		
	31 December 2023 (Audited)										
	Food					Non-food					Corporate
	Food	Catering	Services	Sub-total	FMCG & HC	Industrial	Sub-total	Total	Food	Catering	
	KD	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		

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

Notes to the interim condensed consolidated financial information (Unaudited)
for the nine-month period ended 30 September 2024

	30 September 2023 (Unaudited)											
	Food					Non-food					Corporate	
	Catering	Services	Sub-total	FMCG & HC	Industrial	Sub-total					Total	
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	
Revenue	15,281,802	10,191,677	134,309,565	66,477,555	4,759,230	71,236,785					1,589	205,547,939
Segment profit/ (loss)	(265,873)	1,796,457	7,175,467	6,066,752	651,695	6,718,447					(4,532,017)	9,361,897
Total assets	19,586,570	13,792,818	163,992,569	93,071,020	12,813,211	105,884,231					937,561	270,814,361
Total liabilities	7,985,664	4,100,334	37,936,987	27,093,910	2,610,335	29,704,245					87,097,740	154,738,972

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

	Kuwait		Kingdom of Saudi Arabia		United Arab Emirates		Qatar		Jordan		Iraq		Total	
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
30 September 2024 (Unaudited)														
Revenue	161,789,922	5,363,746	28,054,276	11,777,845	11,399,955	2,341,335								220,727,079
Non-current assets	98,073,558	7,600,280	10,000,942	11,741,898	655,845	-								128,072,523
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
30 September 2023 (Unaudited)														
Revenue	149,772,006	5,444,614	25,908,884	14,696,204	7,638,599	2,087,632								205,547,939
Non-current assets	91,441,449	8,490,402	10,004,743	12,953,605	776,277	-								123,666,476

**Notes to the interim condensed consolidated financial information (Unaudited)
for the nine-month period ended 30 September 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
Purchases during the period	209,339	-
Change in fair value	946,703	(106,446)
Balance at 30 September (Unaudited)	<u>3,490,896</u>	<u>2,372,399</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)
for the nine-month period ended 30 September 2024

* 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	(55,055)	(10,810)
Purchase of livestock	194,180	-
Sale of livestock	(55,136)	(58,243)
Changes in fair value	96,709	70,432
Balance at 30 September (Unaudited)	<u>1,293,718</u>	<u>918,998</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>30 September</u>	<u>31 December</u>	<u>30 September</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	25,257,653	22,693,092	20,709,788
Letters of credit	10,970,000	8,694,650	6,196,495

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 interim condensed consolidated financial information.

ii. Commitments

	<u>30 September</u>	<u>31 December</u>	<u>31 September</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	55,616,642	45,457,972	20,117,141
Intangible assets	1,945,901	2,216,426	805,799
	<u>57,562,543</u>	<u>47,674,398</u>	<u>20,922,940</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.