

**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 2022**

**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**

### *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 2022, 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 condensed consolidated 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 2022 that might have had a material effect on the business of the Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2022 that might have had a material effect on the business of the Company or on its financial position.



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

Kuwait  
12 May 2022

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

**Interim condensed consolidated statement of financial position (Unaudited)**  
*as at 31 March 2022*

		<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
<b>Assets</b>				
Property, plant and equipment	4	81,555,575	77,101,119	75,156,278
Right of use assets		3,163,157	3,725,469	2,060,983
Intangible assets	5	34,902,161	33,097,846	29,489,717
Investment in associates		1,333,907	1,301,935	1,205,422
Investment property	6	3,771,888	3,779,805	3,855,082
Biological assets	17	887,288	793,091	842,742
Trade and other receivables	8	-	-	1,773,336
Investments at fair value through other comprehensive income	17	3,052,611	3,087,886	3,585,283
<b>Non-current assets</b>		<u>128,666,587</u>	<u>122,887,151</u>	<u>117,968,843</u>
Inventories	7	50,852,297	54,813,361	46,680,558
Trade and other receivables	8	80,933,945	70,458,804	80,592,155
Cash and bank balances	10	17,042,351	19,313,317	22,407,850
<b>Current assets</b>		<u>148,828,593</u>	<u>144,585,482</u>	<u>149,680,563</u>
<b>Total assets</b>		<u>277,495,180</u>	<u>267,472,633</u>	<u>267,649,406</u>
<b>Equity</b>				
Share capital		31,132,500	31,132,500	31,132,500
Treasury shares	11	(3,832,800)	(2,343,017)	(5,708,604)
Treasury shares reserve		228,415	228,415	-
Statutory reserve		16,601,335	16,601,335	16,601,335
Voluntary reserve		16,601,335	16,601,335	16,601,335
Fair value reserve		2,239,396	2,274,671	2,772,068
Foreign currency translation reserve		(504,337)	(540,831)	(560,177)
Other reserve		(4,513,320)	(4,513,320)	(4,525,549)
Retained earnings		54,930,384	51,987,607	58,255,915
<b>Equity attributable to shareholders of the Company</b>		<u>112,882,908</u>	<u>111,428,695</u>	<u>114,568,823</u>
Non-controlling interests		8,770,240	8,640,318	8,804,127
<b>Total equity</b>		<u>121,653,148</u>	<u>120,069,013</u>	<u>123,372,950</u>
<b>Liabilities</b>				
Lease liabilities		1,890,640	2,327,987	1,138,784
Trade and other payables	13	2,003,006	2,003,006	1,944,666
Retirement benefit obligation		8,768,464	8,758,725	8,597,853
<b>Non-current liabilities</b>		<u>12,662,110</u>	<u>13,089,718</u>	<u>11,681,303</u>
Loans and borrowings	12	70,065,800	68,421,000	68,936,679
Bank overdrafts	10	5,132,369	3,902,658	3,003,105
Lease liabilities		1,295,418	1,481,790	796,395
Trade and other payables	13	66,686,335	60,508,454	59,858,974
<b>Current liabilities</b>		<u>143,179,922</u>	<u>134,313,902</u>	<u>132,595,153</u>
<b>Total liabilities</b>		<u>155,842,032</u>	<u>147,403,620</u>	<u>144,276,456</u>
<b>Total equity and liabilities</b>		<u>277,495,180</u>	<u>267,472,633</u>	<u>267,649,406</u>

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

Mohammed Jassim Al Wazzan  
Vice Chairman

Garrett Walsh  
Chief Executive Officer

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

**Interim condensed consolidated statement of profit or loss (Unaudited)**  
*for the three month period ended 31 March 2022*

	Notes	Three months period ended	
		31 March	
		2022	2021
		KD	KD
		(Unaudited)	(Unaudited)
Revenues		72,478,537	73,367,891
Cost of revenue		(57,907,925)	(57,166,388)
<b>Gross profit</b>		14,570,612	16,201,503
Selling and distribution expenses		(5,023,034)	(5,286,530)
General and administrative expenses		(5,602,429)	(4,653,733)
Other (expense)/income	14	(46,094)	186,235
<b>Results from operating activities</b>		3,899,055	6,447,475
Finance costs		(674,587)	(613,755)
Share of results of associates		31,972	449
<b>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</b>		3,256,440	5,834,169
KFAS		(31,273)	(52,224)
NLST		(96,102)	(137,824)
Zakat		(38,441)	(55,130)
Board of directors’ remuneration	9	(18,750)	(18,750)
<b>Profit for the period</b>		3,071,874	5,570,241
<b>Profit attributable to:</b>			
Shareholders of the Company		2,942,777	4,958,500
Non-controlling interests		129,097	611,741
		3,071,874	5,570,241
<b>Earnings per share (basic and diluted) (fils)</b>	15	9.61 fils	16.37 fils

The accompanying notes 1 to 21 form an integral part of the 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 2022*

	<b>Three months period ended</b>	
	<b>31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit for the period	3,071,874	5,570,241
<b><i>Other comprehensive income/(loss)</i></b>		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Foreign currency translation differences on foreign operations	52,864	(69,137)
Net investment hedge- net (loss) / gain	(15,545)	12,355
	<u>37,319</u>	<u>(56,782)</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	(35,275)	369,690
<i>Other comprehensive income</i>	<u>2,044</u>	<u>312,908</u>
<b>Total comprehensive income for the period</b>	<u><u>3,073,918</u></u>	<u><u>5,883,149</u></u>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	2,943,996	5,309,202
Non-controlling interests	129,922	573,947
<b>Total comprehensive income for the period</b>	<u><u>3,073,918</u></u>	<u><u>5,883,149</u></u>

The accompanying notes 1 to 21 form an integral part of the 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 2022*

	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
<b>Balance at 1 January 2022</b>	31,132,500	(2,343,017)	228,415	16,601,335	16,601,335	2,274,671	(540,831)	(4,513,320)	51,987,607	111,428,695	8,640,318	120,069,013
Profit for the period	-	-	-	-	-	-	-	-	2,942,777	2,942,777	129,097	3,071,874
<i>Other comprehensive income</i>												
Change in fair value	-	-	-	-	-	(35,275)	-	-	-	(35,275)	-	(35,275)
Foreign currency translation	-	-	-	-	-	-	36,494	-	-	36,494	825	37,319
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(35,275)	36,494	-	2,942,777	2,943,996	129,922	3,073,918
Purchase of treasury shares	-	(1,489,783)	-	-	-	-	-	-	-	(1,489,783)	-	(1,489,783)
<b>Balance at 31 March 2022</b>	<u>31,132,500</u>	<u>(3,832,800)</u>	<u>228,415</u>	<u>16,601,335</u>	<u>16,601,335</u>	<u>2,239,396</u>	<u>(504,337)</u>	<u>(4,513,320)</u>	<u>54,930,384</u>	<u>112,882,908</u>	<u>8,770,240</u>	<u>121,653,148</u>

The accompanying notes 1 to 21 form an integral part of the 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 2022*

	Attributable to shareholders of the Company										
	Share capital	Treasury shares	Statutory reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
<b>Balance at 1 January 2021</b>	31,132,500	(5,547,635)	16,601,335	16,601,335	2,402,378	(541,189)	(4,525,549)	53,297,415	109,420,590	8,230,180	117,650,770
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	4,958,500	4,958,500	611,741	5,570,241
<i>Other comprehensive income</i>											
Change in fair value	-	-	-	-	369,690	-	-	-	369,690	-	369,690
Foreign currency translation	-	-	-	-	-	(18,988)	-	-	(18,988)	(37,794)	(56,782)
<b>Total comprehensive income for the period</b>	-	-	-	-	369,690	(18,988)	-	4,958,500	5,309,202	573,947	5,883,149
Purchase of treasury shares	-	(160,969)	-	-	-	-	-	-	(160,969)	-	(160,969)
<b>Balance at 31 March 2021</b>	<u>31,132,500</u>	<u>(5,708,604)</u>	<u>16,601,335</u>	<u>16,601,335</u>	<u>2,772,068</u>	<u>(560,177)</u>	<u>(4,525,549)</u>	<u>58,255,915</u>	<u>114,568,823</u>	<u>8,804,127</u>	<u>123,372,950</u>

The accompanying notes 1 to 21 form an integral part of the 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 2022*

	Notes	2022 KD	2021 KD
<b>Cash flows from operating activities</b>			
Profit for the period before contribution to KFAS, NLST, Zakat and board of directors' remuneration		3,256,440	5,834,169
<i>Adjustment for:</i>			
Depreciation		2,209,368	2,131,783
Amortisation of intangible assets	5	76,414	85,758
Share of results of associates		(31,972)	(449)
Provision for remeasurements of defined benefit obligations		399,775	398,928
(Reversal of) /provision for obsolete and slow-moving inventories	7	(74,249)	66,734
Provision of expected credit losses	8	1,068,647	154,641
Gain on disposal of property, plant and equipment	14	(991)	(2,810)
Gain on revaluation of biological assets	17	(20,198)	(38,980)
Gain on disposal of biological assets		(1,890)	(2,345)
Write-off of biological assets	17	1,800	5,754
Finance costs		674,587	613,755
Foreign currency exchange loss/(gain)	14	99,986	(82,532)
		<u>7,657,717</u>	<u>9,164,406</u>
<i>Changes in:</i>			
- inventories		4,134,352	3,239,397
- trade and other receivables		(11,508,712)	(15,794,304)
- related parties balances- net		(45,425)	2,488,491
- trade and other payables		5,924,509	7,785,844
Employees' end of service benefits paid		(494,663)	(294,160)
<i>Net cash from operating activities</i>		<u>5,667,778</u>	<u>6,589,674</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(6,139,343)	(1,571,567)
Purchase of intangible assets	5	(1,802,000)	-
Purchase of biological assets	17	(92,212)	-
Proceeds from disposal of property, plant and equipment		991	12,701
Proceeds from disposal of intangible assets		-	30,000
Proceeds from disposal of biological assets		18,303	14,146
<i>Net cash used in investing activities</i>		<u>(8,014,261)</u>	<u>(1,514,720)</u>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings		1,495,000	259,379
Repayment of loans and borrowings		-	(1,091,070)
Payment of lease liability		(458,234)	(390,266)
Purchase of treasury shares		(1,489,783)	(160,969)
Finance costs paid		(674,587)	(589,433)
<i>Net cash used in financing activities</i>		<u>(1,127,604)</u>	<u>(1,972,359)</u>
Effect of foreign exchange differences		(26,590)	(46,237)
<b>Net change in cash and cash equivalents</b>		<u>(3,500,677)</u>	<u>3,056,358</u>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<u>15,410,659</u>	<u>16,348,387</u>
<b>Cash and cash equivalents at the end of the period</b>	10	<u>11,909,982</u>	<u>19,404,745</u>

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

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

**Notes to the condensed consolidated interim financial information (Unaudited)**  
*for the three-month period ended 31 March 2022*

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**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 2022 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 2022.

**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 2021 (‘last annual consolidated financial statements’). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s consolidated financial position and performance since the last consolidated financial statements. Operating results for the three-month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the year ending 31 December 2022.

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 2021.

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

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

**Notes to the condensed consolidated interim financial information (Unaudited)**  
*for the three-month period ended 31 March 2022*

**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 2021.

**4. Property, plant and equipment**

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
Net fixed assets	69,092,232	68,241,572	70,850,289
Capital work in progress	12,463,343	8,859,547	4,305,989
	<u>81,555,575</u>	<u>77,101,119</u>	<u>75,156,278</u>

During the three-months period ended 31 March 2022, the Group acquired property and equipment amounting to KD 6,139,343 (31 March 2021: KD 1,571,567). Depreciation charged for the period amounted to KD 1,780,279 (31 March 2021: KD 1,771,877).

**5. Intangible assets**

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
Goodwill	23,125,422	23,078,128	23,074,393
Other intangible assets	11,776,739	10,019,718	6,415,324
	<u>34,902,161</u>	<u>33,097,846</u>	<u>29,489,717</u>

During the three-month period ended 31 March 2022, the Group acquired intangible assets amounting to KD 1,802,000 (31 March 2021: Nil).

Amortisation charged for the period amounted to KD 76,414 (31 March 2021: KD 85,758)

**6. Investment property**

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
Balance at 1 January	3,779,805	3,891,222	3,891,222
Depreciation	(25,135)	(101,523)	(25,104)
Net foreign exchange differences	17,218	(9,894)	(11,036)
	<u>3,771,888</u>	<u>3,779,805</u>	<u>3,855,082</u>

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

**Notes to the condensed consolidated interim financial information (Unaudited)**  
*for the three-month period ended 31 March 2022*

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

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

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

**7. Inventories**

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
Goods for resale	32,353,362	38,209,423	32,387,932
Raw materials and consumables	13,402,003	13,819,099	11,103,747
Finished goods and work in progress	2,664,160	2,851,148	3,031,636
Goods in transit	4,220,191	2,006,926	2,324,749
	<u>52,639,716</u>	<u>56,886,596</u>	<u>48,848,064</u>
Provision for obsolete and slow-moving inventories	(1,787,419)	(2,073,235)	(2,167,506)
	<u>50,852,297</u>	<u>54,813,361</u>	<u>46,680,558</u>

The current period reversal of provision for obsolete and slow-moving inventories of KD 74,249 (31 March 2021: charge of provision of KD 66,734) is included in cost of revenue in the interim condensed consolidated statement of profit or loss.

**8. Trade and other receivables**

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
<i>Non-Current Portion</i>			
Other Receivables	<u>-</u>	<u>-</u>	<u>1,773,336</u>
<i>Current Portion</i>			
Trade receivables	71,691,816	63,206,229	71,119,862
Provision for expected credit losses	(11,403,214)	(10,380,414)	(9,556,237)
	<u>60,288,602</u>	<u>52,825,815</u>	<u>61,563,625</u>
Advances to suppliers	14,998,723	12,159,490	11,891,739
Prepaid expenses	1,620,891	1,321,364	2,145,740
Refundable deposits	763,685	756,699	770,866
Due from related parties (Note 9)	48,764	34,519	41,488
Other receivables	3,213,280	3,360,917	4,178,697
	<u>80,933,945</u>	<u>70,458,804</u>	<u>80,592,155</u>

Movement of provision for expected credit loss is as follows:

	<b>2022 KD</b>	<b>2021 KD</b>
Balance at 1 January (Audited)	10,380,412	9,441,233
Charge for the period	1,068,647	154,641
Write offs	(66,677)	(30,243)
Effect of movement in exchange rates	20,832	(9,394)
Balance at 31 March (Unaudited)	<u>11,403,214</u>	<u>9,556,237</u>

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**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

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
<b>Balances with related parties</b>			
<i>Due from related parties (Note 8)</i>			
Other than shareholders and associates	<u>48,764</u>	<u>34,519</u>	<u>41,488</u>
	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
<i>Due to related parties (Note 13)</i>			
Shareholders	73,668	73,668	73,667
Associates	2,199	2,775	583
Other related parties	<u>6,432,841</u>	<u>6,463,445</u>	<u>4,195,625</u>
	<u>6,508,708</u>	<u>6,539,888</u>	<u>4,269,875</u>
		<b>Three months period ended 31 March (Unaudited)</b>	
		<b>2022 KD</b>	<b>2021 KD</b>
<b>Transactions with related parties</b>			
<i>Sales</i>			
Shareholders		3,395	2,422
Other related parties		<u>3,499</u>	<u>10,681</u>
		<u>6,894</u>	<u>13,103</u>
<i>Cost of revenue</i>			
Other related parties		4,685,673	4,393,491
<i>General and administrative expenses</i>			
Other related parties		104,878	139,996
<b>Key management compensation</b>			
Salaries and other short-term benefits		524,890	497,786
Employees' end of service benefits		<u>27,338</u>	<u>45,213</u>
		<u>552,228</u>	<u>542,999</u>
Board of directors' remuneration		18,750	18,750

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**10. Cash and cash equivalents**

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
Cash and bank balances	17,042,351	19,313,317	22,407,850
Bank overdrafts	<u>(5,132,369)</u>	<u>(3,902,658)</u>	<u>(3,003,105)</u>
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	<u>11,909,982</u>	<u>15,410,659</u>	<u>19,404,745</u>

Bank overdrafts are denominated in Kuwaiti Dinars, Qatari Riyals and Jordanian Dinars and are from local and foreign commercial banks. These are repayable on demand and carry an average effective interest rate of 2.75% to 5% (31 December 2021: 2.5% to 5% and 31 March 2021: 2.5% to 5%) per annum.

**11. Treasury shares**

	<b>31 March 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>	<b>31 March 2021 (Unaudited)</b>
Number of shares (Note 20)	6,354,013	3,825,000	8,667,898
Percentage of share capital (%)	2.04%	1.23%	2.78%
Cost (“KD”)	3,832,800	2,343,017	5,708,604
Market value (“KD”)	3,691,681	2,252,925	4,914,698

**12. Loans and borrowings**

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
<i>Current portion denominated in:</i>			
Kuwaiti Dinars	37,495,000	36,000,000	36,526,379
US Dollars	<u>32,570,800</u>	<u>32,421,000</u>	<u>32,410,300</u>
	<u>70,065,800</u>	<u>68,421,000</u>	<u>68,936,679</u>

This represents various unsecured revolving credit facilities from local and foreign banks to fund its operational requirements. These loans carry effective interest rates of 2.32% to 2.75% (31 December 2021: 1.61% to 2.50% and 31 March 2021: 1.45% to 2.50%) per annum.

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**13. Trade and other payables**

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
<i>Non Current Portion</i>			
Other Payables	<u>2,003,006</u>	<u>2,003,006</u>	<u>1,944,666</u>
<i>Current Portion</i>			
Trade payables	41,047,551	35,137,390	36,078,673
Accrued expenses	16,020,682	13,900,576	15,368,857
Advances from customers	30,009	86,650	16,681
Payables to related parties (Note 9)	6,508,708	6,539,888	4,269,875
Other payables	<u>3,079,385</u>	<u>4,843,950</u>	<u>4,124,888</u>
	<u>66,686,335</u>	<u>60,508,454</u>	<u>59,858,974</u>

**14. Other (expense)/income**

	<b>Three months period ended 31 March (Unaudited)</b>	
	<b>2022 KD</b>	<b>2021 KD</b>
Gain on disposal of property, plant and equipment	991	2,810
Foreign currency exchange (loss)/gain	(99,986)	82,532
Other income	<u>52,901</u>	<u>100,893</u>
	<u>(46,094)</u>	<u>186,235</u>

**15. 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.

	<b>Three months period ended 31 March (Unaudited)</b>	
	<b>2022</b>	<b>2021</b>
Profit for the period (KD)	<b>2,942,777</b>	4,958,500
Weighted average number of ordinary shares outstanding during the period (after excluding treasury shares)	<b>306,363,636</b>	302,927,174
Earnings per share	<b>9.61 fils</b>	16.37 fils

## **16. Segment information**

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

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

### **Food segment**

**Food** Food comprises all the businesses that relate to the food industry including food and beverages, wholesale trading, manufacturing and retail. The segment deals in a variety of products mainly meat products, cakes, biscuits, potato chips, snacks, canned food products, dairy products and water.

**Catering** Catering comprises of food services for short term and long-term delivery of cooked food as well as on site operation of food facilities and catering for one off events.

**Services** Services include provision/sale of a variety of services/goods respectively to major customers predominantly including sales and delivery of foods as well as ancillary storage, logistics, repairs and maintenance services and sale of non-food items.

### **Non-food segment**

**Fast Moving Consumer Goods ("FMCG") and Healthcare ("HC")** FMCG mainly comprises of distribution of health and beauty products, medicines, medical devices, manufacturing of medicine, medical products and household products.

**Industrial** Industrial comprises of the manufacturing of goods including plastic materials, lube oil and cartons used for packaging.

### **Corporate segment**

Corporate comprises of central assets, liabilities and support functions for the entire Group. The corporate provides management, information systems and technology, human resource, procurement and finance support to other segments. The Group maintains a central treasury function and manages the cash and borrowing position centrally.

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



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

<b>31 March 2022 (Unaudited)</b>									
	<b>Food</b>				<b>Non-food</b>			<b>Corporate</b>	<b>Total KD</b>
	<i>Food KD</i>	<i>Catering KD</i>	<i>Services KD</i>	<i>Sub-total KD</i>	<i>FMCG &amp; HC KD</i>	<i>Industrial KD</i>	<i>Sub-total KD</i>	<b>KD</b>	
Revenues	36,154,269	6,778,058	2,887,551	45,819,878	25,151,442	1,506,767	26,658,209	450	72,478,537
Segment profit/ (loss)	1,686,082	(1,105,338)	531,549	1,112,293	2,523,566	211,669	2,735,235	(591,088)	3,256,440
Total Assets	133,993,158	28,719,476	12,264,886	174,977,520	90,123,483	9,819,965	99,943,448	2,574,212	277,495,180
Total Liabilities	28,001,257	13,003,447	3,913,438	44,918,142	22,951,660	2,798,717	25,750,377	85,173,513	155,842,032
<b>31 December 2021 (Audited)</b>									
	<b>Food</b>				<b>Non-food</b>			<b>Corporate</b>	<b>Total KD</b>
	<i>Food KD</i>	<i>Catering KD</i>	<i>Services KD</i>	<i>Sub-total KD</i>	<i>FMCG &amp; HC KD</i>	<i>Industrial KD</i>	<i>Sub-total KD</i>	<b>KD</b>	
Revenue	120,916,958	30,572,227	12,936,305	164,425,490	75,033,680	5,675,768	80,709,448	1,650	245,136,588
Segment profit/ (loss)	3,698,988	(213,974)	1,760,180	5,245,194	6,972,462	863,678	7,836,140	(2,981,507)	10,099,827
Total assets	125,737,944	27,373,944	10,761,341	163,873,229	89,461,069	11,917,180	101,378,249	2,221,155	267,472,633
Total liabilities	25,596,702	11,193,227	3,614,124	40,404,053	22,805,782	2,641,121	25,446,903	81,552,664	147,403,620

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<b>31 March 2021 (Unaudited)</b>										
	<b>Food</b>				<b>FMCG &amp; HC</b>	<b>Non-food</b>			<b>Corporate</b>	<b>Total</b>
	<b>Food</b>	<b>Catering</b>	<b>Services</b>	<b>Sub-total</b>		<b>Industrial</b>	<b>Sub-total</b>	<b>KD</b>	<b>KD</b>	
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>	
Revenues	33,728,994	7,335,550	3,536,403	44,600,947	27,340,665	1,425,979	28,766,644	300	73,367,891	
Segment profit/ (loss)	2,878,585	288,784	575,225	3,742,594	3,518,401	324,661	3,843,062	(1,751,487)	5,834,169	
Total assets	120,455,639	26,302,461	10,109,759	156,867,859	72,528,004	9,347,441	81,875,445	28,906,102	267,649,406	
Total liabilities	25,653,226	8,007,907	3,381,040	37,042,173	19,420,719	2,433,138	21,853,857	85,380,425	144,276,455	

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

	<b>Kuwait</b>	<b>Kingdom of</b>	<b>United Arab</b>	<b>Qatar</b>	<b>Jordan</b>	<b>Afghanistan</b>	<b>Iraq</b>	<b>Total</b>
	<b>KD</b>	<b>Saudi</b>	<b>Emirates</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
		<b>Arabia</b>	<b>KD</b>					
		<b>KD</b>	<b>KD</b>					
<b>31 March 2022 (Unaudited)</b>								
Revenue	54,461,850	2,005,592	8,894,203	4,625,662	1,958,168	-	533,062	72,478,537
Non-current assets	94,042,993	7,988,150	10,863,520	14,891,251	880,640	33	-	128,666,587
<b>31 December 2021 (Audited)</b>								
Revenue	177,535,231	5,317,429	31,561,574	20,116,404	7,254,652	849,056	2,502,242	245,136,588
Non-current assets	91,460,508	6,602,621	11,025,335	12,894,463	904,125	99	-	122,887,151
<b>31 March 2021 (Unaudited)</b>								
Revenue	57,217,886	1,475,519	7,308,054	4,445,593	1,763,401	636,887	520,551	73,367,891
Non-current assets	86,907,995	6,525,864	11,700,418	11,810,590	1,005,507	18,469	-	117,968,843

## **17. Fair value measurement**

### *Fair value of financial instruments*

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

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

### *Determination of fair value and fair value hierarchy*

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

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

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

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

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

	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>
Balance at 1 January (Audited)	3,087,886	3,215,593
Change in fair value	<u>(35,275)</u>	<u>369,690</u>
Balance at 31 Mar (Unaudited)	<u>3,052,611</u>	<u>3,585,283</u>

### *Valuation methods and assumption*

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

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*Description of significant unobservable inputs to valuation*

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

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

*Fair value of biological assets*

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

	<b>2022 KD</b>	<b>2021 KD</b>
Balance at 1 January (Audited)	793,091	821,317
Write offs	(1,800)	(5,754)
Purchase of livestock	92,212	-
Sale of livestock	(16,413)	(11,801)
Changes in fair value	20,198	38,980
Balance at 31 March (Unaudited)	<u>887,288</u>	<u>842,742</u>

**18. Financial risk management**

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

**19. Contingencies and commitments**

*i. Contingencies*

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

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
Letters of guarantee	22,252,936	22,308,625	17,907,460

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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*

	<b>31 March 2022 KD (Unaudited)</b>	<b>31 December 2021 KD (Audited)</b>	<b>31 March 2021 KD (Unaudited)</b>
<i>Capital expenditure commitments</i>			
Property, plant and equipment	7,242,436	7,479,119	5,791,387
Intangible assets	397,398	182,604	145,570
	<u>7,639,834</u>	<u>7,661,723</u>	<u>5,936,957</u>

**20. Annual General Assembly**

The annual consolidated financial statements for the year ended 31 December 2021 were approved for issuance by the Board of Directors of the Parent Company on 22 March 2022 and are to be ratified by the Parent Company's shareholders at their Annual General Meeting scheduled to be held on 15 May 2022.

**21. Impact of Covid-19**

In response to the spread of the Covid-19 in GCC and other territories where the Group operates and its resulting disruptions to the social and economic activities in those markets, management had proactively assessed its impacts on its operations and took a series of preventive measures, to ensure the health and safety of its employees, customers, consumers and the wider community as well as to ensure the continuity of supply of its products throughout its markets. Notwithstanding these challenges, the Group's operations remained largely unaffected as the food industry in general was exempt from the various bans and constraints imposed by various regulatory authorities including exemption from curfew hours and cargo shipping and flight operations restrictions. The underlying demand from retail and wholesale customers for the Group's products has been largely unaffected, although some small shifts in product mix were apparent. Based on these factors, management believes that the COVID-19 pandemic has had no material effect on the Group's reported financial results for the three-month period ended 31 March 2022. The Group continues to monitor the COVID-19 situation closely although at this time management is not aware of any factors that are expected to change the impact of the pandemic on the Group's operations during 2022 or beyond.