



**Livestock Transport and Trading Company K.P.S.C.
and its subsidiaries
State of Kuwait**

Condensed consolidated interim financial information (Unaudited)
and independent auditor's review report for the three month period ended 31 March 2025



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The Board of Directors

Livestock Transport and Trading Company K.P.S.C. State of Kuwait

Report on review of condensed consolidated interim financial information

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2025 and the related condensed consolidated interim statements of income, statement of comprehensive income, statements of changes in equity and statement of cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016, and its Executive Regulations nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the three month period ended 31 March 2025, that might have had a material effect on the business of the Group or its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any violations during the three month period ended 31 March 2025 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, that might have had a material effect on the business of the Group or its consolidated financial position.



Khalid Ebrahim Al-Shatti
Licence No. 175
PricewaterhouseCoopers (Al-Shatti & Co.)

15 May 2025
Kuwait

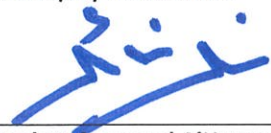
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Condensed consolidated interim statement of financial position (Unaudited)

As at 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	5	37,824,408	36,802,652	33,509,098
Investment in an associate		540,567	494,180	517,879
Right-of-use assets		971,962	1,082,376	1,325,580
Financial assets at fair value through other comprehensive income	4	287,297	287,294	289,773
		<u>39,624,234</u>	<u>38,666,502</u>	<u>35,642,330</u>
Current assets				
Inventories	6	5,163,741	3,870,517	6,477,955
Trade and other receivables	7	12,370,645	11,060,793	12,779,670
Bank balances and cash	8	2,870,120	2,341,108	1,447,316
		<u>20,404,506</u>	<u>17,272,418</u>	<u>20,704,941</u>
Total assets		<u>60,028,740</u>	<u>55,938,920</u>	<u>56,347,271</u>
Equity and liabilities				
Equity				
Share capital		21,659,057	21,659,057	21,659,057
Share premium		4,967,805	4,967,805	4,967,805
Treasury shares	9	(1,647,126)	(1,647,126)	(1,647,126)
Statutory reserve		11,825,560	11,825,560	11,825,560
Voluntary reserve		4,489,130	4,489,130	4,489,130
Other reserves	10	48,834	107,834	225,282
Accumulated losses		(16,309,600)	(15,856,885)	(10,538,272)
Net equity		<u>25,033,660</u>	<u>25,545,375</u>	<u>30,981,436</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		1,696,316	1,588,896	1,684,760
Bank borrowing	11	11,800,000	11,800,000	13,600,000
Lease liabilities – non-current		658,468	734,740	879,579
		<u>14,154,784</u>	<u>14,123,636</u>	<u>16,164,339</u>
Current liabilities				
Bank borrowing	11	1,949,799	1,823,799	2,082,594
Bank overdraft	8	10,770,147	5,292,895	2,388,484
Trade and other payables	12	7,804,985	8,819,088	4,350,579
Lease liabilities – current		315,365	334,127	379,839
		<u>20,840,296</u>	<u>16,269,909</u>	<u>9,201,496</u>
Total liabilities		<u>34,995,080</u>	<u>30,393,545</u>	<u>25,365,835</u>
Total equity and liabilities		<u>60,028,740</u>	<u>55,938,920</u>	<u>56,347,271</u>


Nael Mohammad AlHumoud
Chairman


Ahmed Al Majed
Acting Chief Executive Officer

The notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of income (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 31 March	
		2025 (Unaudited)	2024 (Unaudited)
Operating revenue		11,470,160	12,320,474
Operating costs		(10,000,253)	(9,786,229)
Gross profit		1,469,907	2,534,245
Other operating income		190,260	134,661
Marketing expenses		(449,537)	(394,178)
General and administrative expenses	13	(1,393,259)	(1,496,426)
Other operating expenses	18	(139,026)	(65,626)
Reversal / (charge) from impairment of trade and other receivables		39,151	(21,462)
Operating (loss)/profit		(282,504)	691,214
Net investment income		1,770	4,863
Group's share in an associate's results		39,194	14,484
Finance costs		(247,540)	(192,975)
Foreign currency exchange gain		25,354	(182,376)
(Loss)/profit before subsidiaries' tax		(463,726)	335,210
Reversal of income tax on subsidiaries		11,011	7,638
(Loss)/profit after subsidiaries' tax		(452,715)	342,848
National Labour Support Tax ("NLST")		-	(8,571)
Zakat		-	(3,428)
(Loss)/profit for the period		(452,715)	330,849
Basic and diluted (losses)/earnings per share (fils)	14	(2.16)	1.58

Condensed consolidated interim statement of comprehensive income (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

		Three months ended 31 March	
		2025 (Unaudited)	2024 (Unaudited)
	Notes		
(Loss)/profit for the period		(452,715)	330,849
Other comprehensive (loss)/income:			
<i>Items that may be reclassified to the condensed consolidated interim statement of income:</i>			
Exchange differences on translation of foreign operations	10	(59,003)	(2,015)
<i>Items that will not be reclassified to the condensed consolidated interim statement of income:</i>			
Changes in fair value of financial assets at fair value through other comprehensive income	10	3	29
Other comprehensive loss for the period		(59,000)	(1,986)
Total comprehensive (loss)/income for the period		(511,715)	328,863

Condensed consolidated interim statement of changes in equity (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves	Accumulated losses	Net equity
At 1 January 2025	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	107,834	(15,856,885)	25,545,375
Loss for the period	-	-	-	-	-	-	(452,715)	(452,715)
Other comprehensive loss for the period	-	-	-	-	-	(59,000)	-	(59,000)
Total comprehensive loss for the period	-	-	-	-	-	(59,000)	-	(59,000)
At 31 March 2025 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	48,834	(16,309,600)	25,033,660
At 1 January 2024	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	227,268	(10,869,121)	30,652,573
Profit for the period	-	-	-	-	-	-	330,849	330,849
Other comprehensive loss for the period	-	-	-	-	-	(1,986)	-	(1,986)
Total comprehensive income for the period	-	-	-	-	-	(1,986)	-	-
At 31 March 2024 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	225,282	(10,538,272)	30,981,436

Condensed consolidated interim statement of cash flows (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 31 March	
		2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities			
(Loss)/profit for the period		(452,715)	330,849
Adjustments for:			
Depreciation – property, plant and equipment	5	1,346,607	1,069,787
Depreciation – right of use assets		114,612	109,482
Gain on sale of property, plant and equipment		33	-
Net investment income		(1,770)	(4,863)
Interest expense – lease liability		17,961	22,778
Interest expense – bank borrowing and overdraft		229,579	170,197
(Reversal) / charge from impairment of trade and other receivables		(39,151)	21,462
Provision for obsolete and slow-moving inventory		21,876	-
Group's share in associate's results		(39,194)	(14,484)
Foreign currency exchange gain		(25,354)	182,376
Employees' end of service benefits		123,447	94,236
		<u>1,295,931</u>	<u>1,981,820</u>
Changes in working capital:			
Inventories		(1,315,100)	(1,074,924)
Trade and other receivables		(1,271,285)	(2,050,686)
Trade and other payables		(988,740)	(255,498)
Cash used in operations		<u>(2,279,194)</u>	<u>(1,399,288)</u>
Employees' end of service benefits paid		(16,199)	(7,840)
Net cash flows used in operating activities		<u>(2,295,393)</u>	<u>(1,407,128)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(2,375,443)	(409,939)
Proceeds from disposal of property, plant and equipment		31,352	-
Investment income received		1,770	4,863
Net cash flows used in investing activities		<u>(2,342,321)</u>	<u>(405,076)</u>
Cash flows from financing activities			
Interest paid on bank borrowings and overdraft		(103,579)	(28,270)
Dividends paid		(9)	(377)
Principal element of lease payments		(117,487)	(190,028)
Net cash flows used in financing activities		<u>(221,075)</u>	<u>(218,675)</u>
Net decrease in cash and cash equivalents		<u>(4,858,789)</u>	<u>(2,030,879)</u>
Cash and cash equivalents at beginning of the period	8	(2,951,787)	1,003,675
Effects of exchange rate changes on cash and cash equivalents		(89,451)	86,036
Cash and cash equivalents at end of the period	8	<u>(7,900,027)</u>	<u>(941,168)</u>

The notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES

Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") was incorporated in accordance with the memorandum of association authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department under No. 70 /D/Vol. 2 on 24 November 1973. On 20 January 1974, the Parent Company has been incorporated in accordance with the resolution of the founders' General Assembly meeting of the Parent Company.

The head office of the Parent Company is located at Sulaibiya, Agricultural Area, Block 12, Kuwait. Kuwait Investment Authority is the principal shareholder in the Parent Company. The Parent Company is listed on Boursa Kuwait.

The Parent Company's objectives are as follows:

1. To carry out all operations of producing, transporting and trading in all kinds of meat.
2. To construct and buy farms, pastures, barns, land and real estate deemed necessary to achieve the Parent Company's objectives.
3. To carry out all transportation operations deemed necessary or for others similar businesses.
4. To own, buy and utilise means of marine and land transportation necessary to achieve the Parent Company's objectives. In addition, utilise air transport necessary.
5. To run any business or processing activity relating to meat production and transportation, wool and leather trade.
6. To own, lease and rent of real estates, buildings, workshops, docks and stores.
7. To import and export marine equipment necessary for the Parent Company's vessels.
8. To import, export and manufacture all kinds of fodder.
9. The Parent Company may conduct all transactions and all other actions necessary to facilitate achieving its objectives.
10. Utilisation of financial surplus through investment in portfolios managed by specialised Companies and Authorities.
11. To run any trade or industry for food processing, opening restaurants and preparing healthy food.
12. To run any trade or manufacture of foodstuffs.
13. To run any trade or manufacture of fertilizers.
14. Import, export, breeding and sale of livestock.
15. Importing, exporting, manufacturing and selling medicines, veterinary tools and supplies, and veterinary medicine.
16. To run any trade or manufacture of animal and pet food.
17. Agricultural Contracting.
18. Delivery of consumer and food orders.
19. To run any trade or industry related to supermarkets and/or mini supermarkets and/or groceries.
20. To run the activities of butchery and butcheries and exhibitions of selling meat and its products of all kinds.

**Livestock Transport and Trading Company K.P.S.C.
and its subsidiaries
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Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES (Continued)

The condensed consolidated interim financial information includes the financial information of the Parent Company and its subsidiaries (together referred to as the "Group"):

Name of subsidiaries	Shareholding interest (%)			Activity	Country of incorporation
	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)		
Rural Export and Trading (WA) PTY Ltd.	100	100	100	Trade in livestock and meat	Australia
Trans Emirates Livestock Trading Company L.L.C.	100	100	100	Trade in livestock and meat	UAE
Al Shuwaikh Company for Managing and Establishing Commercial and Industrial Projects S.P.C.	100	100	100	Establishment and management of commercial and industrial projects	Kuwait
Al Mawashi (PTY) Ltd.	100	100	100	Trade in livestock and meat	South Africa
Al Messilah United for Sea and Shore Shipping Company W.L.L.	100	100	100	Sea transportation of miscellaneous goods	Kuwait
Al Kuwait Vessel for Sea and Shore Shipping Company W.L.L.	100	100	100	Sea transportation of miscellaneous goods	Kuwait

The Group operates in four countries; Kuwait, United Arab Emirates ("UAE"), Australia and South Africa and transports and sells livestock to certain countries in the Middle East. The financial information of the subsidiaries has been consolidated based on financial information prepared by management as at 31 March 2025.

During September 2022, the Parent Company incorporated two new subsidiaries "Al Messilah United for Sea and Shore Shipping Company W.L.L." and "Al Kuwait Vessel for Sea and Shore Shipping Company W.L.L.". The two subsidiaries did not start operations and their share capital has not been paid as at 31 March 2025.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 15 May 2025.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting. The condensed consolidated interim financial information does not include all the information and notes required for complete annual consolidated financial statements prepared in accordance with IFRS Accounting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the three month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2024.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. BASIS OF PREPARATION (Continued)

The condensed consolidated interim financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of annual consolidated financial statements for the year ended 31 December 2024 and the corresponding interim reporting period. Also see (a) and (b) below.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, and the Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2025:

- Amendments to IAS 21 - Lack of Exchangeability

The amendments listed above did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect the current period.

(b) Impact of new standards (issued but not yet adopted by the Group)

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretation and amendments which will be adopted in the Group's condensed consolidated interim financial statements as and when they are applicable.

3. JUDGEMENT AND ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgements 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 audited annual consolidated financial statements as at and for the year ended 31 December 2024.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. FAIR VALUE ESTIMATION

The fair values of financial assets and liabilities are estimated as follows:

- Level 1:** Quoted prices in active markets for quoted financial instruments.
Level 2: Quoted prices in active markets for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
Level 3: Inputs for the asset or liabilities that are not based on observable market data.

The following table shows the fair value measurement hierarchy of the Group's financial assets recorded at fair value:

31 March 2025 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	1,221	22,125	263,951	287,297
31 December 2024 (Audited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	1,223	22,120	263,951	287,294
31 March 2024(Unaudited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	1,231	22,116	266,426	289,773

Financial assets at fair value through other comprehensive income comprise the following:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Quoted securities	1,221	1,223	1,231
Unquoted foreign securities	263,951	263,951	266,426
Unquoted local securities	22,125	22,120	22,116
	287,297	287,294	289,773

The method of valuation used in Level 3 has been consistent with that used in the recent annual consolidated financial statements, which is measured at fair value estimated using various models like discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates or the latest financial statements or information available on these investments the future financial flows of which are unpredictable.

**Livestock Transport and Trading Company K.P.S.C.
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Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. FAIR VALUE ESTIMATION (Continued)

The following table represents the changes in Level 3 instruments:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Opening balance	263,951	266,426	266,426
Disposals	-	(2,475)	-
Ending balance	263,951	263,951	266,426

5. PROPERTY, PLANT AND EQUIPMENT

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Opening balance	36,802,652	34,230,657	34,230,657
Additions	2,375,443	7,271,582	409,939
Disposals	(40,800)	(459,152)	-
Depreciation relating to disposals	9,415	439,492	-
Depreciation charge	(1,346,607)	(4,569,013)	(1,069,787)
Foreign currency translation differences	24,305	(110,914)	(61,711)
	37,824,408	36,802,652	33,509,098

The depreciation charge for the period has been allocated in the condensed consolidated interim statement of income as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Operating costs	1,119,641	3,843,371	907,234
Marketing expenses	59,767	212,727	26,425
General and administrative expenses (Note 13)	167,199	512,915	136,128
	1,346,607	4,569,013	1,069,787

Machinery and equipment included in property, plant and equipment with a carrying value of 7,424 as at 31 March 2025 (31 December 2024: KD 8,676; 31 March 2024: KD 13,407) are mortgaged as a security against long term borrowing (Note 11).

Vessel included in property, plant and equipment with a carrying value of KD 11,355,095 as at 31 March 2025 (31 December 2024: KD 11,614,829; 31 March 2024: KD 12,371,180) is mortgaged as a security against long term borrowing (Note 11).

**Livestock Transport and Trading Company K.P.S.C.
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Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

6. INVENTORIES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Livestock and meat	3,451,681	3,001,239	4,236,997
Fodder	124,237	95,479	133,306
Medicines, fertilisers and others	787,491	710,334	1,167,028
	<u>4,363,409</u>	<u>3,807,052</u>	<u>5,537,331</u>
Goods in transit	715,353	-	52,301
Production materials and spare parts	814,357	770,967	888,323
Less: Provision for obsolete, slow-moving inventory and count differences *	<u>(729,378)</u>	<u>(707,502)</u>	<u>-</u>
	<u><u>5,163,741</u></u>	<u><u>3,870,517</u></u>	<u><u>6,477,955</u></u>

* During year ended 31 December 2024, the Group identified variances during the physical inventory count at one of its subsidiaries. A provision has been recorded for the identified variances based on the information available up to the reporting date. The Group is continuing its investigation into these discrepancies and will make any necessary adjustments to the financial statements once the investigation is completed and further information becomes available.

7. TRADE AND OTHER RECEIVABLES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Trade receivables	9,928,638	8,764,379	9,414,688
Accrued Government subsidy*	16,330,630	16,330,630	16,330,630
	<u>26,259,268</u>	<u>25,095,009</u>	<u>25,745,318</u>
Loss allowance	<u>(16,379,767)</u>	<u>(16,418,334)</u>	<u>(16,364,650)</u>
	<u>9,879,501</u>	<u>8,676,675</u>	<u>9,380,668</u>
Advances to suppliers	749,186	1,011,026	1,175,867
Prepaid expenses	392,890	221,578	474,954
Refundable deposits	126,056	125,878	121,059
Staff receivables	21,968	17,127	22,956
Others	1,201,044	1,008,509	1,604,166
	<u><u>12,370,645</u></u>	<u><u>11,060,793</u></u>	<u><u>12,779,670</u></u>

* Pursuant to Council of Ministers resolution No. 1308 dated 11 September 2011 regarding the Parent Company's purchase and transfer of livestock to Kuwait port (CIF) and selling the same at cost plus 15% margin, the Ministerial Decree No. 409 which was issued on 8 July 2012 regarding the Ministry of Commerce and Industry's financial support of KD 16.835 per head of sheep live or chilled or completely frozen which was entered into Kuwait from whatever source or means, and in effect until 1 November 2012.

The government subsidy due from Ministry of Commerce and Industry (the "Ministry") as a result of the subsidy granted to the Parent Company to meet the increased prices of certain foodstuff and consumer goods in accordance with the previous ministerial decrees amounted to KD 16,330,630 (31 December 2024: KD 16,330,630, 31 March 2024: KD 16,330,630). The Group's subsidy was not approved by the Ministry due to a dispute regarding the subsidy per head. Further, there were two legal cases filed by the Parent Company against the Ministry claiming the subsidy due amount.

**Livestock Transport and Trading Company K.P.S.C.
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Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

7. TRADE AND OTHER RECEIVABLES (Continued)

The outcome of the two legal cases was not in favour of the Parent Company, accordingly management had appealed against the verdict. On 28 December 2022, a verdict was issued by the Court of cassation to refuse the appeal and uphold the earlier decision of the court.

No additional loss allowance was charged as a result of the final outcome of the two legal cases, as full loss allowance was maintained during the prior years.

Loss allowance of KD 33,500 (31 December 2024: KD 33,500, 31 March 2024: 33,500) was maintained against the remaining government subsidy balance amounting to KD 3,105,426 (31 December 2024: KD 3,105,426, 31 March 2024: KD 3,105,426) as this amount was not part of the dispute.

As at 31 March 2025, the loss allowance maintained against the total accrued government subsidy balance amounted to KD 13,258,704 (31 December 2024: KD 13,258,704, 31 March 2024: KD 13,258,704).

8. CASH AND CASH EQUIVALENTS

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Cash on hand and at banks	2,841,651	2,312,468	1,421,418
Cash at investment portfolios	28,469	28,640	25,898
Bank balances and cash	2,870,120	2,341,108	1,447,316
Less: bank overdraft	(10,770,147)	(5,292,895)	(2,388,484)
Cash and cash equivalents	(7,900,027)	(2,951,787)	(941,168)

9. TREASURY SHARES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Number of shares	7,377,383	7,377,383	7,377,383
Percentage of issued shares (%)	3.41%	3.41%	3.41%
Market value	774,625	789,380	789,380

The Parent Company is committed to retain reserves, share premium and retained earnings equivalent to the cost of treasury shares throughout the period, in which they are held by the Parent Company, pursuant to the relevant instructions of the regulatory authorities.

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10. OTHER RESERVES

	<u>Change in fair value reserve</u>	<u>Foreign currency translation reserve</u>	<u>Total</u>
At 1 January 2025	(59,854)	167,688	107,834
Change in fair value of financial assets at fair value through other comprehensive income	3	-	3
Foreign currency translation differences	-	(59,003)	(59,003)
31 March 2025 (Unaudited)	(59,851)	108,685	48,834
At 1 January 2024	(59,901)	287,169	227,268
Change in fair value of financial assets at fair value through other comprehensive income	29	-	29
Foreign currency translation differences	-	(2,015)	(2,015)
31 March 2024 (Unaudited)	(59,872)	285,154	225,282

11. BANK BORROWING

	<u>31 March 2025 (Unaudited)</u>	<u>31 December 2024 (Audited)</u>	<u>31 March 2024 (Unaudited)</u>
Current portion	1,949,799	1,823,799	2,082,594
Non-current portion	11,800,000	11,800,000	13,600,000

Current portion includes accrued interest amounting to KD 149,799 (31 December 2024: KD 23,799 and, 31 March 2024: KD 160,643).

Bank borrowings represent loans denominated in Kuwaiti Dinars ("KD") obtained from a local bank ("the lender") with a maximum limit amounting to KD 14,500,000 and carry an effective interest rate of 3.5% (31 December 2024: 3.5%, 31 March 2024: 3.5%) per annum. The bank borrowing is used to finance purchasing equipment and vessels.

During 2022, the Parent Company had requested from the lender to defer the first four instalments of one of the two loans. The original due dates of the deferred instalments were 15 December 2022, 15 June 2023, 15 December 2023 and 15 June 2024 with total amount of KD 3,500,000. The new due dates of the instalments are 15 December 2028, 15 June 2029, 15 December 2029, and 15 June 2030.

On 22 December 2022, the lender approved the Parent Company's request to defer the first four instalments amounting to KD 3,500,000 of one of the loans. The deferred instalments carry interest rate of 1% in addition to the original interest rate (3.5%).

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11. BANK BORROWING (Continued)

Bank borrowings are secured by machinery and equipment and vessels included in property, plant and equipment amounting to KD 7,424 and KD 11,355,095 respectively (31 December 2024: KD 8,676 and KD 11,614,829, 31 March 2024: KD 15,414 and KD 12,624,335) (Note 5).

12. TRADE AND OTHER PAYABLES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Trade payables	4,318,258	5,273,198	2,188,656
Advances from customers	521,986	1,850,970	504,861
Dividends payable (Note 16)	40,982	40,991	41,484
Accrued expenses	2,636,846	1,445,278	1,257,886
Refundable deposits	133,171	125,285	87,246
Other payables	153,742	83,366	270,446
	7,804,985	8,819,088	4,350,579

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Staff costs	715,195	652,398
Maintenance, repair and utilities	119,762	317,646
Depreciation - property, plant and equipment (Note 5)	167,199	136,128
Insurance	49,211	55,123
Depreciation - right-of-use asset	62,629	59,771
Professional fees	54,084	42,332
Subscription, registration and certification fees	31,107	27,820
Bank charges	37,548	33,912
Rent	22,862	13,502
Transportation expenses	13,355	12,258
Stationary and office supplies	3,005	5,807
Other expenses	117,302	139,729
	1,393,259	1,496,426

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14. BASIC AND DILUTED (LOSSES) / EARNINGS PER SHARE

Basic and diluted (losses) / earnings per share are calculated by the (loss) / profit for the period by the weighted average number of shares outstanding (less treasury shares) during the period as follows:

	Three months ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
(Loss) / profit for the period	(452,715)	330,849
Weighted average number of outstanding shares (less treasury shares)	<u>209,213,192</u>	<u>209,213,192</u>
(Losses) / earnings per share (fils)	<u>(2.16)</u>	<u>1.58</u>

The Parent Company had no outstanding dilutive shares.

15. CONTINGENT LIABILITIES

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Letters of guarantee	<u>1,685,416</u>	<u>849,848</u>	<u>1,479,460</u>

Letter of guarantees are issued by the Group to mainly governmental entities to ensure the fulfillment of the Group's contractual obligations towards governmental lessors and customers.

16. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent, major shareholders, directors and key management personnel of the Group, their close family members, and entities controlled, or significantly influenced by the Parent Company. In the ordinary course of business, and subject to the approval of the Group's management, transactions were made with such related parties during the period ended 31 March.

Detail of the significant related party transactions and balances are as follows:

Transactions	Three months ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Key management benefits	141,941	124,834

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16. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2024 (Unaudited)
Balances			
Key management long term balances - included in employees' end of service benefits	195,588	133,085	289,164
Key management short term balances - included in accrued expenses	70,523	55,198	68,554
Dividends payable (Note 12)	40,982	40,991	41,484

All transactions with related parties are subject to the approval of Shareholders' General Assembly.

17. OPERATING SEGMENTS

17.1 Geographical and operational segments of the revenues, results, assets and liabilities

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which separate financial information is available.

The Group conducts its activities through three main operational segments:

- Commercial segment includes purchasing, transporting, ranching and selling the live and slaughtered sheep and all skins, intestines and fertilizers. Purchasing and selling fodder and also purchasing and selling chilled and frozen meat in wholesale and retail.
- Food processing segment includes meat processing and its classification in all products and selling it in wholesale.
- Investments segment include investment portfolios managed by specialised companies, and deposits.

The segments results are reported to the senior executive management of the Group, as well as the revenues and results of the Group's business, assets and liabilities are reported in accordance with the geographical locations where the Group conducts its activities. Revenue, profits, assets and liabilities are measured according to the same accounting bases followed in preparation of annual consolidated financial statements. Segment analysis in line with internal reports submitted to management is as follows:

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17. OPERATING SEGMENTS (Continued)

**17.1 Geographical and operational segments of the revenues, results, assets and liabilities
(Continued)**

17.1.1 Segments revenues (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	Three months ended		Three months ended		Three months ended		Three months ended	
	31 March		31 March		31 March		31 March	
	2025	2024	2025	2024	2025	2024	2025	2024
	KD 000's							
Kuwait	3,604	6,921	2,536	362	2	8	6,142	7,291
UAE	4,599	4,183	-	-	-	-	4,599	4,183
Australia	541	503	-	-	39	14	580	517
South Africa	380	483	-	-	-	-	380	483
Total	9,124	12,090	2,536	362	41	22	11,701	12,474

* Total reconciles to the following statement of income items:

- Operating revenue
- Other operating income
- Net investment income
- Group's share in an associate's results

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17.1.2 Segments results (Unaudited)

17.1.1.3 Segmental distribution of assets and liabilities (Unaudited)

Assets	53,809	49,778	50,232	5,392	5,380	5,307	828	781	808	60,029	55,939	56,347
Liabilities	34,730	30,267	25,086	265	127	280	-	-	-	34,995	30,394	25,366

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17. OPERATING SEGMENTS (Continued)

17.1 Geographical and operational segments of the revenues, results, assets and liabilities (Continued)

17.1.4 Geographical distribution of assets and liabilities (Unaudited)

		31 March 2025 (KD 000's)				
		Kuwait	UAE	Australia	South Africa	Total
Assets		49,882	6,880	1,808	1,459	60,029
Liabilities		31,410	6,880	533	631	34,995

	31 December 2024 (Audited)				
	(KD 000's)				
	Kuwait	UAE	Australia	South Africa	Total
Assets	46,360	6,060	2,101	1,418	55,939
Liabilities	27,502	1,892	346	654	30,394

		31 March 2024 (KD 000's)			
	Kuwait	UAE	Australia	South Africa	Total
Assets	43,595	7,878	2,095	2,779	56,347
Liabilities	23,611	1,392	325	38	25,366

18. OTHER OPERATING EXPENSES

Other operating expenses represents expenses incurred while the vessels were idle.

19. ANNUAL GENERAL ASSEMBLY MEETING

The Parent Company's Ordinary Annual General Assembly meeting ("AGM"), held on 8 May 2025, approved the annual consolidated financial statements for the financial year ended 31 December 2024. In addition, the AGM approved the partial absorption of accumulated losses with an amount of KD 4,000,000 through the utilisation of a portion of the voluntary reserve.