



**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 2024



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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 2024 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and 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 2024, 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 2024 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.)

13 May 2024
Kuwait


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Condensed consolidated interim statement of financial position (Unaudited)

As at 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	5	33,509,098	34,230,657	35,641,788
Investment in an associate		517,879	527,223	478,644
Right-of-use assets		1,325,580	1,435,154	853,014
Financial assets at fair value through other comprehensive income	4	289,773	289,744	990,586
		<u>35,642,330</u>	<u>36,482,778</u>	<u>37,964,032</u>
Current assets				
Inventories	6	6,477,955	5,403,031	5,717,913
Trade and other receivables	7	12,779,670	10,752,940	11,240,472
Bank balances and cash	8	1,447,316	2,513,507	6,421,095
		<u>20,704,941</u>	<u>18,669,478</u>	<u>23,379,480</u>
Total assets		<u>56,347,271</u>	<u>55,152,256</u>	<u>61,343,512</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	225,282	227,268	168,073
Accumulated losses		(10,538,272)	(10,869,121)	(11,233,534)
Net equity		<u>30,981,436</u>	<u>30,652,573</u>	<u>30,228,965</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		1,684,760	1,598,123	1,453,384
Bank borrowing	11	13,600,000	13,600,000	15,521,951
Lease liabilities – non-current		879,579	1,008,357	532,541
		<u>16,164,339</u>	<u>16,206,480</u>	<u>17,507,876</u>
Current liabilities				
Bank borrowing	11	2,082,594	1,940,667	2,131,759
Bank overdraft	8	2,388,484	1,509,832	6,846,447
Trade and other payables	12	4,350,579	4,424,078	4,357,075
Lease liabilities – current		379,839	418,626	271,390
		<u>9,201,496</u>	<u>8,293,203</u>	<u>13,606,671</u>
Total liabilities		<u>25,365,835</u>	<u>24,499,683</u>	<u>31,114,547</u>
Total equity and liabilities		<u>56,347,271</u>	<u>55,152,256</u>	<u>61,343,512</u>


Nael Mohammad AlHumoud
Chairman


Osama Khared Bodai
Chief Executive Officer

The notes on pages 7 to 19 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 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 31 March	
		2024 (Unaudited)	2023 (Unaudited)
Operating revenue		12,320,474	12,120,284
Operating costs		(9,786,229)	(9,970,885)
Gross profit		2,534,245	2,149,399
Other operating income		134,661	199,605
Marketing expenses		(394,178)	(363,913)
General and administrative expenses	13	(1,496,426)	(1,259,789)
Other operating expenses	18	(65,626)	(538,567)
Impairment of trade and other receivables		(21,462)	(21,919)
Operating profit		691,214	164,816
Net investment income		4,863	5,787
Group's share in an associate's results		14,484	17,392
Finance costs		(192,975)	(225,001)
Foreign currency exchange loss		(182,376)	(194,164)
Profit / (loss) before subsidiaries' tax		335,210	(231,170)
Reversal of income tax / (income tax expense) on subsidiaries		7,638	(14,969)
Profit / (loss) after subsidiaries' tax		342,848	(246,139)
National Labour Support Tax ("NLST")		(8,571)	-
Zakat		(3,428)	-
Profit / (loss) for the period		330,849	(246,139)
Basic and diluted earnings / (loss) per share (fils)	14	1.58	(1.18)

Condensed consolidated interim statement of comprehensive income (Unaudited)

For the three month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 31 March	
		2024 (Unaudited)	2023 (Unaudited)
Profit / (loss) for the period		330,849	(246,139)
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	(2,015)	102,781
<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	29	6,485
Other comprehensive (loss) / income for the period		(1,986)	109,266
Total comprehensive income / (loss) for the period		328,863	(136,873)

Condensed consolidated interim statement of changes in equity (Unaudited)

For the three month period ended 31 March 2024

(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 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 (loss) / income for the period	-	-	-	-	-	(1,986)	330,849	328,863
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
At 1 January 2023	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	58,807	(10,987,395)	30,365,838
Loss for the period	-	-	-	-	-	-	(246,139)	(246,139)
Other comprehensive income for the period	-	-	-	-	-	109,266	-	109,266
Total comprehensive income / (loss) for the period	-	-	-	-	-	109,266	(246,139)	(136,873)
At 31 March 2023 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	168,073	(11,233,534)	30,228,965

The notes on pages 7 to 19 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of cash flows (Unaudited)

For the three month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the three months ended 31	
		March	
		2024 (Unaudited)	2023 (Unaudited)
Cash flows from operating activities			
Profit / (loss) for the period		330,849	(246,139)
Adjustments for:			
Depreciation – property, plant and equipment	5	1,069,787	1,022,423
Depreciation – right of use assets		109,482	102,118
Gain on sale of property, plant and equipment		-	1,290
Net investment income		(4,863)	(5,787)
Interest expense – lease liability		22,778	16,790
Interest expense – bank borrowing and overdraft		170,197	208,211
Impairment losses on financial assets		21,462	21,919
Group’s share in associate’s results		(14,484)	(17,392)
Foreign currency exchange loss		182,376	194,164
Employees’ end of service benefits		94,236	62,710
		<u>1,981,820</u>	<u>1,360,307</u>
Changes in working capital:			
Inventories		(1,074,924)	1,633,361
Trade and other receivables		(2,050,686)	(761,005)
Trade and other payables		(255,498)	279,532
Cash (used in) / generated from operations		<u>(1,399,288)</u>	<u>2,512,195</u>
Employees’ end of service benefits paid		(7,840)	(8,679)
Net cash flows (used in) / generated from operating activities		<u>(1,407,128)</u>	<u>2,503,516</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(409,939)	(1,148,777)
Proceeds from disposal of property, plant and equipment		-	1,200
Investment income received		4,863	5,787
Net cash flows used in investing activities		<u>(405,076)</u>	<u>(1,141,790)</u>
Cash flows from financing activities			
Interest paid on bank borrowings and overdraft		(28,270)	(26,452)
Dividends paid		(377)	(204)
Principal element of lease payments		(190,028)	(166,197)
Net cash flows used in financing activities		<u>(218,675)</u>	<u>(192,853)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(2,030,879)</u>	<u>1,168,873</u>
Cash and cash equivalents at beginning of the period	8	1,003,675	(1,723,716)
Effects of exchange rate changes on cash and cash equivalents		86,036	129,491
Cash and cash equivalents at end of the period	8	<u>(941,168)</u>	<u>(425,352)</u>

The notes on pages 7 to 19 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 2024

(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 utilize means of marine and land transportation necessary to achieve the Parent Company's objectives. In addition, utilize 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.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(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 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (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 2024.

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 2024.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 13 May 2023.

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 2024 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 2023.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(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 2023 and the corresponding interim reporting period. Also see (a) and (b) below.

(a) New and amended standards adopted by the Group:

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(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 financial statement 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 2023.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(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:

	Level 1	Level 2	Level 3	Total fair value
31 March 2024 (Unaudited)				
Financial assets at fair value through other comprehensive income	1,231	22,116	266,426	289,773
31 December 2023 (Audited)				
Financial assets at fair value through other comprehensive income	1,233	22,085	266,426	289,744
31 March 2023 (Unaudited)				
Financial assets at fair value through other comprehensive income	706,526	22,259	261,801	990,586

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

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Quoted securities	1,231	1,233	706,526
Unquoted local securities	22,116	22,085	22,259
Unquoted foreign securities	266,426	266,426	261,801
	289,773	289,744	990,586

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.

The following table represents the changes in Level 3 instruments:

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Opening balance	266,426	267,128	267,128
Change in fair value	-	(702)	(5,327)
Ending balance	266,426	266,426	261,801

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Opening balance	34,230,657	35,541,399	35,541,399
Additions	409,939	3,000,836	1,148,777
Disposals	-	(22,578)	(3,425)
Depreciation relating to disposals	-	19,951	935
Depreciation charge	(1,069,787)	(4,307,997)	(1,022,423)
Foreign currency translation differences	(61,711)	(954)	(23,475)
	<u>33,509,098</u>	<u>34,230,657</u>	<u>35,641,788</u>

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

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Operating costs	907,234	3,675,233	880,670
Marketing expenses	26,425	158,752	22,004
General and administrative expenses (Note 13)	136,128	474,012	119,749
	<u>1,069,787</u>	<u>4,307,997</u>	<u>1,022,423</u>

Machinery and equipment included in property, plant and equipment with a carrying value of KD 13,407 as at 31 March 2024 (31 December 2023: KD 15,414; 31 March 2023: KD 23,105) are mortgaged as a security against long term borrowing (Note 11).

Vessel included in property, plant and equipment with a carrying value of KD 12,371,180 as at 31 March 2024 (31 December 2023: KD 12,624,335; 31 March 2023: KD 13,391,457) is mortgaged as a security against long term borrowing (Note 11).

6. INVENTORIES

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Livestock and meat	4,236,997	1,552,397	3,877,874
Fodder	133,306	156,657	259,364
Medicines, fertilisers and others	1,167,028	914,254	684,386
	<u>5,537,331</u>	<u>2,623,308</u>	<u>4,821,624</u>
Goods in transit	52,301	1,955,728	-
Production materials and spare parts	888,323	823,995	896,289
	<u>6,477,955</u>	<u>5,403,031</u>	<u>5,717,913</u>

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

7. TRADE AND OTHER RECEIVABLES

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Trade receivables	9,414,688	7,887,442	8,322,724
Accrued Government subsidy*	16,330,630	16,330,630	16,330,630
	25,745,318	24,218,072	24,653,354
Loss allowance	(16,364,650)	(16,341,427)	(16,329,502)
	9,380,668	7,876,645	8,323,852
Advances to suppliers	1,175,867	1,397,645	1,072,843
Prepaid expenses	474,954	353,131	479,074
Refundable deposits	121,059	101,765	112,533
Staff receivables	22,956	22,286	23,534
Others	1,604,166	1,001,468	1,228,636
	12,779,670	10,752,940	11,240,472

* 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 2023: KD 16,330,630, 31 March 2023: 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.

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 2023: KD 33,500, 31 March 2023: Nil) was maintained against the remaining government subsidy balance amounting to KD 3,105,426 (31 December 2023: KD 3,105,426, 31 March 2023: KD 3,105,426) as this amount was not part of the dispute.

As at 31 March 2024, the loss allowance maintained against the total accrued government subsidy balance amounted to KD 13,258,704 (31 December 2023: KD 13,258,704, 31 March 2023: KD 13,225,204).

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

8. CASH AND CASH EQUIVALENTS

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Cash on hand and at banks	1,421,418	2,487,458	3,450,610
Time deposits maturing within 3 months	-	-	2,931,200
Cash at investment portfolios	25,898	26,049	39,285
Bank balances and cash	1,447,316	2,513,507	6,421,095
Less: bank overdraft	(2,388,484)	(1,509,832)	(6,846,447)
Cash and cash equivalents	(941,168)	1,003,675	(425,352)

9. TREASURY SHARES

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (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	789,380	722,984	759,870

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.

10. OTHER RESERVES

	Change in fair value reserve	Foreign currency translation reserve	Total
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
At 1 January 2023	(45,781)	104,588	58,807
Change in fair value of financial assets at fair value through other comprehensive income	6,485	-	6,485
Foreign currency translation differences	-	102,781	102,781
31 March 2023 (Unaudited)	(39,296)	207,369	168,073

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

11. BANK BORROWING

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Current portion	2,082,594	1,940,667	2,131,759
Non-current portion	13,600,000	13,600,000	15,521,951

Current portion includes accrued interest amounting to KD 160,643 (31 December 2023: KD 18,716 and, 31 March 2023: KD 181,759).

Bank borrowings represent two loans denominated in Kuwaiti Dinars ("KD") obtained from a local bank ("the lender") with a maximum limit amounting to KD 24,121,981 and carry an effective interest rate of 3.5% (31 December 2023: 3.5%, 31 March 2023: 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%).

Bank borrowings are secured by machinery and equipment and vessels included in property, plant and equipment amounting to KD 13,407 and KD 12,371,180 respectively (31 December 2023: KD 15,414 and KD 12,624,335, 31 March 2023: KD 23,105 and KD 13,391,457) (Note 5).

12. TRADE AND OTHER PAYABLES

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Trade payables	2,188,656	1,897,967	2,095,671
Advances from customers	504,861	450,144	153,243
Dividends payable (Note 16)	41,484	41,861	42,492
Accrued expenses	1,257,886	1,774,973	1,590,685
Refundable deposits	87,246	155,230	109,654
Other payables	270,446	103,903	365,330
	<u>4,350,579</u>	<u>4,424,078</u>	<u>4,357,075</u>

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
Staff costs	652,398	589,728
Depreciation - property, plant and equipment (Note 5)	136,128	119,749
Depreciation - right-of-use assets	59,771	57,560
Insurance	55,123	43,526
Professional fees	42,332	79,955
Maintenance, repair and utilities	317,646	165,809
Transportation expenses	12,258	7,173
Stationary and office supplies	5,807	9,489
Bank charges	33,912	54,278
Rent	13,502	3,079
Subscription, registration and certification fees	27,820	22,711
Other expenses	139,729	106,732
	<u>1,496,426</u>	<u>1,259,789</u>

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

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

	Three months ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
Profit / (loss) for the period	330,849	(246,139)
Weighted average number of outstanding shares (less treasury shares)	209,213,192	209,213,192
Earnings / (loss) per share (fils)	<u>1.58</u>	<u>(1.18)</u>

The Parent Company had no outstanding dilutive shares.

15. CONTINGENT LIABILITIES

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Letters of guarantee	<u>1,479,460</u>	<u>1,618,132</u>	<u>1,500,014</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.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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		
		2024 (Unaudited)	2023 (Unaudited)
Key management benefits		124,834	118,286
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Balances			
Key management long term balances - included in employees' end of service benefits	289,164	267,496	228,417
Key management short term balances - included in accrued expenses	68,554	129,007	59,804
Dividends payable (Note 12)	41,484	41,861	42,492

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

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024
(All amounts are in Kuwaiti Dinar unless otherwise stated)

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 specialized 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:

17.1.1 Segments revenues (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2024	2023	2024	2023	2024	2023	2024	2023
	KD 000's							
Kuwait	6,921	7,853	362	862	8	6	7,291	8,721
UAE	4,183	2,937	-	-	-	-	4,183	2,937
Australia	503	437	-	-	14	17	517	454
South Africa	483	231	-	-	-	-	483	231
Total	12,090	11,458	362	862	22	23	12,474	12,343

* 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

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

17. OPERATING SEGMENTS (Continued)

17.1.2 Segments results (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2024	2023	2024	2023	2024	2023	2024	2023
	KD 000's							
Kuwait	335	(229)	11	89	8	7	354	(133)
UAE	45	(31)	-	-	-	-	45	(31)
Australia	(61)	(47)	-	-	14	17	(47)	(30)
South Africa	(21)	(52)	-	-	-	-	(21)	(52)
Total	298	(359)	11	89	22	24	331	(246)

17.1.3 Segmental distribution of assets and liabilities (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	31 March		31 March		31 March		31 March	
	2024	2023	2024	2023	2024	2023	2024	2023
	KD 000's							
Assets	50,232	49,028	54,690	5,307	808	1,470	56,347	61,344
Liabilities	25,086	24,491	31,018	280	-	-	25,366	31,115

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

17. OPERATING SEGMENTS (Continued)

17.1.4 Geographical distribution of assets and liabilities (Unaudited)

	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

	31 December 2023 (Audited) (KD 000's)				
	Kuwait	UAE	Australia	South Africa	Total
Assets	45,563	6,421	1,754	1,414	55,152
Liabilities	22,702	1,180	473	145	24,500

	31 March 2023 (KD 000's)				
	Kuwait	UAE	Australia	South Africa	Total
Assets	50,504	7,072	2,424	1,344	61,344
Liabilities	29,356	1,035	482	242	31,115

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 28 March 2024, approved the annual consolidated financial statements for the financial year ended 31 December 2023.