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 nine month period ended 30 September 2021

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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 30 September 2021 and the related condensed consolidated interim statements of income and comprehensive income for the three-month and nine-month periods then ended and the statements of changes in equity and cash flows for the nine-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

Except as explained in the following paragraph, we conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

The Group's condensed consolidated interim statement of financial position includes property, plant and equipment with a carrying amount of KD 36,043,908 and right-of-use assets with a carrying amount of KD 1,397,340. During the nine-month period ended 30 September 2021, the Group experienced a significant down-turn in trading activity principally due to pricing constraints imposed on the Group by the Ministry of Commerce and Industry, and this down-turn is considered to be an indicator of impairment in accordance with International Accounting Standard 36, 'Impairment of assets'. However, management has not carried out an impairment review to determine whether any impairment write down should be applied to the amounts recorded in the condensed consolidated interim statement of financial position at 30 September 2021. In the absence of relevant information with regards to the recoverability of these assets, we were unable to determine whether adjustments to the condensed consolidated interim financial information might be required.

Qualified conclusion

Except for the adjustments to the condensed consolidated interim financial information that we might have become aware of had it not been for the situation described above, 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 nine-month period ended 30 September 2021, 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 material violations during the nine-month period ended 30 September 2021 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations.

Ahmed Mohammed Abdulrahman Al-Rasheed
License No. 39 A
PricewaterhouseCoopers
(Al-Shatti & Co.)

14 November 2021
Kuwait

Condensed consolidated interim statement of financial position (Unaudited)
As at 30 September 2021
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	5	**36,043,908**	37,881,803	38,356,253
Investment in an associate		**450,994**	501,109	502,985
Right-of-use assets		**1,397,340**	1,679,781	1,757,126
Financial assets at fair value through other comprehensive income	4	**1,079,719**	1,127,905	1,215,502
Financial assets at amortised cost	6	**-**	305,950	2,733,302
		38,971,961	41,496,548	44,565,168
Current assets				
Financial assets at amortised cost	6	**1,533,302**	2,427,352	-
Inventories	7	**6,784,199**	7,564,452	4,648,795
Trade and other receivables	8	**13,605,536**	14,536,582	18,947,158
Bank balances and cash	9	**4,496,044**	1,777,062	3,125,634
		26,419,081	26,305,448	26,721,587
Total assets		**65,391,042**	67,801,996	71,286,755
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	10	**(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	11	**97,221**	132,591	217,103
(Accumlated losses) / retained earnings		**(5,019,688)**	(135,038)	649,052
Net equity		**36,371,959**	41,291,979	42,160,581
Liabilities				
Non-current liabilities				
Employees' end of service benefits		**1,438,680**	1,396,624	1,354,646
Long term borrowing	12	**18,421,951**	4,871,951	5,821,951
Lease liabilities – non-current		**1,081,818**	1,312,937	1,403,351
		20,942,449	7,581,512	8,579,948
Current liabilities				
Bank borrowing	12	**1,900,000**	1,900,000	1,900,000
Bank overdraft	9	**36,704**	9,847,179	10,683,579
Trade and other payables	13	**5,795,062**	6,787,221	7,568,570
Lease liabilities – current		**344,868**	394,105	394,077
		8,076,634	18,928,505	20,546,226
Total liabilities		**29,019,083**	26,510,017	29,126,174
Total equity and liabilities		**65,391,042**	67,801,996	71,286,755

Mohammed Hamad Al-Ebraheem
Vice Chairman

Osama Khaled Bodai
Chief Executive Officer

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

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

Condensed consolidated interim statement of income (Unaudited)
For the three month and nine month period ended 30 September 2021
(All amounts are in Kuwaiti Dinar unless otherwise stated)

		Three months ended 30 September		Nine months ended 30 September	
	Notes	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Operating revenue		**13,727,922**	13,523,592	**38,712,408**	53,981,133
Operating costs		**(14,601,189)**	(13,221,189)	**(37,636,105)**	(48,699,045)
Gross (loss) / profit		**(873,267)**	302,403	**1,076,303**	5,282,088
Governmental subsidy	14	**-**	165,790	**-**	1,122,300
Other operating income		**198,300**	351,435	**770,160**	520,643
Gain on sale of property, plant and equipment		**6,447**	2,386,856	**6,447**	2,386,856
Marketing expenses		**(293,061)**	(393,433)	**(1,110,386)**	(1,275,462)
General and administrative expenses	15	**(1,228,140)**	(1,399,213)	**(3,329,418)**	(4,188,137)
Other operating expenses		**(295,480)**	(1,533,370)	**(338,920)**	(1,932,366)
Impairment of trade and other Receivables		**(11,683)**	(102,020)	**(1,620,215)**	(415,779)
Operating (loss) / profit		**(2,496,884)**	(221,552)	**(4,546,029)**	1,500,143
Net investment income		**28,723**	56,488	**103,266**	155,581
Group's share in an associate's results		**(22,037)**	5,225	**(15,963)**	48,256
Finance costs		**(228,494)**	(189,296)	**(537,905)**	(424,412)
Foreign currency exchange gain / (loss)		**(250,151)**	5,530	**(140,512)**	290,163
(Loss) / profit before subsidiaries' tax and deductions		**(2,968,843)**	(343,605)	**(5,137,143)**	1,569,731
Reversal of income tax on subsidiaries		**210,646**	262,950	**252,493**	262,950
(Loss) / profit after subsidiaries' tax and before deductions		**(2,758,197)**	(80,655)	**(4,884,650)**	1,832,681
National Labour Support Tax ("NLST")		**-**	2,016	**-**	(45,817)
Zakat		**-**	806	**-**	(18,327)
Kuwait Foundation for the Advancement of Sciences ("KFAS")		**-**	806	**-**	(18,327)
(Loss) / profit for the period		**(2,758,197)**	(77,027)	**(4,884,650)**	1,750,210
Basic and diluted earnings per share (fils)	16	**(13.18)**	(0.37)	**(23.35)**	8.37

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of comprehensive income (Unaudited)
For the three month and nine month period ended 30 September 2021
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
(Loss) / profit for the period	**(2,758,197)**	(77,027)	**(4,884,650)**	1,750,210
Other comprehensive income:				
Items that may be reclassified to the condensed consolidated interim statement of income:				
Exchange differences on translation of foreign operations	**(24,528)**	6,770	**(13,671)**	173,675
Items that will not be reclassified to the condensed consolidated interim statement of income:				
Changes in fair value of financial assets at fair value through other comprehensive income	**(24,381)**	68,732	**(21,699)**	85,855
Other comprehensive income / (loss) for the period	**(48,909)**	75,502	**(35,370)**	259,530
Total comprehensive income / (loss) for the period	**(2,807,106)**	(1,525)	**(4,920,020)**	2,009,740

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of changes in equity (Unaudited)
For the nine month period ended 30 September 2021
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves	Retained earnings / (accumulated losses)	Total equity
At 1 January 2021	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	132,591	(135,038)	41,291,979
Loss for the period	-	-	-	-	-	-	(4,884,650)	(4,884,650)
Other comprehensive loss for the period	-	-	-	-	-	(35,370)	-	(35,370)
Total comprehensive loss for the period	-	-	-	-	-	(35,370)	(4,884,650)	(4,920,020)
At 30 September 2021 (Unaudited)	**21,659,057**	**4,967,805**	**(1,647,126)**	**11,825,560**	**4,489,130**	**97,221**	**(5,019,688)**	**36,371,959**
At 1 January 2020	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	(42,427)	(1,101,158)	40,150,841
Profit for the period	-	-	-	-	-	-	1,750,210	1,750,210
Other comprehensive income for the period	-	-	-	-	-	259,530	-	259,530
Total comprehensive income for the period	-	-	-	-	-	259,530	1,750,210	2,009,740
At 30 September 2020 (Unaudited)	**21,659,057**	**4,967,805**	**(1,647,126)**	**11,825,560**	**4,489,130**	**217,103**	**649,052**	**42,160,581**

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of cash flows (Unaudited)
For the nine month period ended 30 September 2021
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the nine months ended 30 September 2021 (Unaudited)	2020 (Unaudited)
Cash flows from operating activities			
(Loss) / profit for the period		**(4,884,650)**	1,750,210
Adjustments for:			
Depreciation		**3,453,106**	3,054,739
Gain on sale of property, plant and equipment		**(6,447)**	(2,386,856)
Interest on deposits and call accounts		**(3,123)**	(19,126)
Interest expense – lease iability		**64,878**	79,989
Interest expense - term borrowing		**473,027**	344,423
Net investment income		**(100,143)**	(136,455)
Group's share in associate's results		**(15,963)**	(48,256)
Impariment of trade and other receivables		**(1,620,215)**	415,779
Foreign currency exchange loss / (gain)		**140,512**	(290,163)
Employees' end of service benefits		**136,679**	107,033
		(2,362,339)	2,871,317
Changes in working capital:			
Inventories		**780,253**	1,617,724
Trade and other receivables		**2,549,378**	(2,396,324)
Trade and other payables		**(1,131,496)**	1,158,234
Cash (used in) / generated from operations		**(164,204)**	3,250,951
Employees' end of service benefits paid		**(93,970)**	(169,811)
Net cash flows (used in) / generated from operating activities		**(258,174)**	3,081,140
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**(1,421,854)**	(17,366,848)
Proceeds from disposal of property, plant and equipment	5	**7,218**	2,386,856
Financial assets at fair value through other comprehensive income		**26,487**	127,596
Redemption for financial assets at amortised cost		**1,200,000**	-
Interest received on deposits and call accounts		**3,123**	19,126
Investment income received		**100,143**	136,455
Net cash flows used in investing activities		**(84,883)**	(14,696,815)
Cash flows from financing activities			
Additions of term borrowing		**14,500,000**	-
Repayment of term borrowing		**(950,000)**	(950,000)
Interest paid on term borrowing		**(473,027)**	(344,423)
Dividends paid		**(1,175)**	(1,129)
Principal element of lease payments		**(379,646)**	(351,625)
Net cash flows generated from / (used in) financing activities		**12,696,152**	(1,647,177)
Net foreign exchange differences		**176,362**	196,665
Net increase / (decrease) in cash and cash equivalents		**12,529,457**	(13,066,187)
Cash and cash equivalents at beginning of the period	9	**(8,070,117)**	5,508,242
Cash and cash equivalents at end of the period	9	**4,459,340**	(7,557,945)

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

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 our 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.

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.

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"):

	Shareholding interest (%)				
Name of subsidiaries	**30 September 2021 (Unaudited)**	**31 December 2020 (Audited)**	**30 September 2020 (Unaudited)**	**Activity**	**Country of incorporation**
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

The financial information of the subsidiaries has been consolidated based on financial information prepared by management as at 30 September 2021.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 14 November 2021.

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 International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the nine month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

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 2020 and the correspoding interim reporting period. Also see (a) and (b) below.

2. BASIS OF PREPARATION (Continued)

(a) New standards, amendments and interpretations effective for the financial period beginning on 1 January 2021

There are no amendments that have significant effect on the Group's financial statements. There are no other standards that were effective for the first time for the financial year beginning on 1 January 2021.

(b) *New standards and amendments not yet effective for the financial period beginning on 1 January 2021 and have not been early adopted by the Group*

There are no applicable new standards and amendments to published standards that have been issued but are not effective for the first time for the Group's financial year beginning on 1 January 2021 and are expected to have a significant impact on the Group's financial statements.

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 2020.

3.1 Implications of COVID-19

During the current period, due to continued uncertainties caused by COVID-19, the Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the condensed consolidated interim financial information.

The Group has updated the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 30 September 2021. ECLs are estimated based on the relevant forward-looking macroeconomic factors, increase in credit risk, and assessing the indicators of impairment for the exposures in potentially affected sectors.

The Group is closely monitoring the situation and has activated its business continuity plan and other risk management practices in order to boost the liquidity and sustain the business. Further, the Group has prepared financial forecasts for the twelve months from the date of approval of this condensed consolidated interim financial information, taking into consideration the estimation of the continued business impacts of COVID-19.

Management is in the process of assessing its operations and sale prices in discussions with the relevant authorities.

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:

30 September 2021 (Unaudited)	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial assets at fair value through other comprehensive income	**733,172**	**22,416**	**324,131**	**1,079,719**

31 December 2020 (Audited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	709,865	22,998	395,042	1,127,905

30 September 2020 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	705,957	23,223	486,322	1,215,502

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:

	30 September 2021 (Unaudited)	**31 December 2020 (Audited)**	**30 September 2020 (Unaudited)**
Opening balance	**395,042**	483,172	483,172
Disposals	**(97,065)**	-	-
Change in fair value	**26,154**	(88,130)	3,150
Ending balance	**324,131**	395,042	486,322

5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Opening balance	**37,881,803**	23,732,113	23,732,113
Additions	**1,421,854**	17,784,007	17,366,848
Disposals	**(48,056)**	(13,356,280)	(13,352,592)
Depreciation relating to disposals	**47,285**	13,355,448	(2,732,903)
Depreciation charge	**(3,149,049)**	(3,745,470)	13,352,592
Foreign currency translation differences	**(109,929)**	111,985	(9,805)
	36,043,908	37,881,803	38,356,253

For the period ended 30 September 2021, depreciation expenses amounting to KD 2,564,118, KD 111,406 and KD 473,525 (31 December 2020: KD 3,202,592, KD 161,891 and KD 380,987; 30 September 2020: KD 1,461,850, KD 126,929 and KD 1,144,124) were charged to operating costs, marketing expenses and general and administrative expenses, respectively.

Machinery and equipment included in property, plant and equipment with a carrying value of KD 43,396 (31 December 2020: KD 54,957; 30 September 2020: KD 59,115) are mortgaged as a security against long term borrowing.

Vessel included in property, plant and equipment with a carrying value of KD 15,248,587 (31 December 2020: Nil; 30 September 2020: Nil) is mortgaged as a security against long term borrowing (Note 12).

6. FINANCIAL ASSETS AT AMORTISED COST

During the period ended 30 September 2021, the Group has local Sukuk at annual yield rates ranging from 6.25% to 6.50% and local bonds at annual interest rates ranging from 6.25% to 6.50%. Local bonds and Sukuk are classified as non-current on the basis of their maturities. The local bonds and sukuk outstanding at 30 September 2021 mature in March 2022.

7. INVENTORIES

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Livestock and meat (net)	**2,436,187**	3,170,626	3,364,652
Fodder	**162,437**	325,862	148,226
Medicines, fertilisers and others	**795,237**	576,977	755,520
	3,393,861	4,073,465	4,268,398
Goods in transit	**2,777,655**	2,964,012	-
Production materials and spare parts	**612,683**	526,975	380,397
	6,784,199	7,564,452	4,648,795

8. TRADE AND OTHER RECEIVABLES

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Trade receivables	**8,525,596**	8,825,652	9,960,118
Accrued Government subsidy*	**16,330,630**	16,330,630	16,330,630
	24,856,226	25,156,282	26,290,748
Provision for doubtful debts	**(14,345,801)**	(12,728,294)	(12,456,362)
	10,510,425	12,427,988	13,834,386
Advances to suppliers	**1,920,774**	1,341,185	3,856,298
Prepaid expenses	**190,882**	154,759	575,006
Refundable deposits	**113,403**	48,797	113,612
Staff advance	**25,165**	17,822	20,079
Others	**844,887**	546,031	547,777
	13,605,536	14,536,582	18,947,158

* 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 as at 30 September 2021 (KD 16,330,630 as at 31 December 2020, KD 16,330,630 as at 30 September 2020). To date, the Group's subsidy has not been approved by the Ministry due to a dispute regarding the subsidy per head. Further, there are legal cases filed by the Parent Company against the Ministry claiming the subsidy due amount.

On 26 November 2019, a verdict was issued by the Court of appeal in favour of the Parent Company in relation to this legal case for an amount of KD 2,294,156 upholding the earlier decision of the court of first instances. Management has appealed against the verdict demanding the full amount of KD 3,462,353 relating to this legal case. On 29 April 2021, a verdict was issued by the Court of cassation not in favour of the Parent Company in relation to this legal case which resulted in additional loss allowance with an amount of KD 1,583,283. As at 30 September 2021, the provision for impairment maintained against the total accrued Government subsidy balance amounted to KD 12,730,079 (KD 11,146,796 as at 31 December 2020, KD 11,146,796 as at 30 September 2020).

9. CASH AND CASH EQUIVALENTS

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Cash on hand and at banks	**4,441,221**	1,652,788	3,012,239
Cash at investment portfolios	**54,823**	124,274	113,395
Bank balances and cash	**4,496,044**	1,777,062	3,125,634
Less: bank overdraft	**(36,704)**	(9,847,179)	(10,683,579)
Cash and cash equivalents	**4,459,340**	(8,070,117)	(7,557,945)

10. TREASURY SHARES

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (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	**1,379,571**	1,313,174	1,359,061

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.

11. OTHER RESERVES

	Change in fair value reserve	Foreign currency translation reserve	Total
At 1 January 2021	**109,016**	**23,575**	**132,591**
Change in fair value of financial assets at fair value through other comprehensive income	(21,699)	-	(21,699)
Foreign currency translation differences	-	(13,671)	(13,671)
30 September 2021 (Unaudited)	**87,317**	**9,904**	**97,221**
At 1 January 2020	**111,789**	**(154,216)**	**(42,427)**
Change in fair value of financial assets at fair value through other comprehensive income	85,855	-	85,855
Foreign currency translation differences	-	173,675	173,675
30 September 2020 (Unaudited)	**197,644**	**19,459**	**217,103**

12. BORROWING

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Current portion	**1,900,000**	1,900,000	1,900,000
Non-current portion	**18,421,951**	4,871,951	5,821,951

Borrowing obtained from a local bank carry a profit rate of 3.5% (3.5% as at 31 December 2020, 3.5% as at 30 September 2020) per annum. Payment is on semi-annual basis till June 2030.

The Parent Company has signed a new facility agreement to obtain a loan from a local bank with a limit of KD 14,500,000, which was fully drawn as of 30 September 2021.

The loan is secured by a vessel owned by the Parent Company equipment with a carrying value of KD 15,248,587 as at 30 September 2021 (Note 5).

13. TRADE AND OTHER PAYABLES

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Trade payables	**2,112,973**	2,647,187	2,197,462
Advances from customers	**514,710**	684,902	302,034
Dividends payable (Note 18)	**44,495**	45,670	45,864
Accrued expenses	**2,506,403**	2,625,869	4,324,695
Refundable deposits	**71,376**	94,129	82,084
Provision for NLST, Zakat and KFAS	**75,734**	47,127	40,215
Other payables	**469,371**	642,337	576,216
	5,795,062	6,787,221	7,568,570

14. GOVERNMENTAL SUBSIDY

Based on the Ministry of Commerce and Industry resolution No. 80 dated 27 March 2020, companies and individuals importing live sheep shipments are given financial support in the form of a government subsidy of KD 5 per head, with a maximum of 300,000 livesheep head allowed, valid till 30 April 2020.

On 27 April 2020, the Ministry of Commerce and Industry issued resolution No. 100 extending the validity of resolution No. 80 till 31 May 2020.

15. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Staff costs	**766,173**	516,104	**1,822,856**	1,708,823
Depreciation	**201,476**	377,497	**473,525**	1,144,124
Insurance	**56,961**	92,962	**170,882**	171,439
Professional fees	**36,815**	54,864	**110,445**	135,525
Maintenance and repair	**145,007**	95,592	**344,447**	407,521
Other expenses	**21,708**	262,194	**407,263**	620,705
	1,228,140	1,399,213	**3,329,418**	4,188,137

16. BASIC AND DILUTED EARNINGS PER SHARE

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

	Three months ended 30 September		Nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
(Loss) / Profit for the period	**(2,758,197)**	(77,027)	**(4,884,650)**	1,750,210
Weighted average number of outstanding shares (less treasury shares)	209,213,192	209,213,192	**209,213,192**	209,213,192
Earnings / (loss) per share (fils)	**(13.18)**	(0.37)	**(23.35)**	8.37

The Parent Company had no outstanding dilutive shares.

17. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Letters of guarantee	**1,372,347**	1,247,104	750,694

18. 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 30 September.

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

Transactions	Three months ended 30 September		Nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Key management benefits	**67,112**	66,854	**200,820**	200,563

Balances	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Key management long term balances - included in employees' end of service benefits	**270,270**	247,648	240,275
Key management short term balances - included in accrued expenses	**50,336**	45,884	53,599
Dividends payable (Note 13)	**44,495**	45,670	45,864

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

19. OPERATING SEGMENTS

19.1 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:

19.1.1.Segments revenues (Unaudited)

	Commercial segment Nine months ended 30 September		Food processing segment Nine months ended 30 September		Investments segment Nine months ended 30 September		Total Nine months ended 30 September	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	KD 000's							
Kuwait	**24,764**	43,216	**1,507**	2,255	**100**	149	**26,371**	45,620
UAE	**7,404**	6,405	-	-	-	-	**7,404**	6,405
Australia	**1,198**	1,620	-	-	-	7	**1,198**	1,627
South Africa	**5,858**	6,345	-	-	-	-	**5,858**	6,345
Total	**39,224**	57,586	**1,507**	2,255	**100**	156	**40,831**	59,997
Unallocated items:								
Miscellaneous revenues							-	520
Total segment revenue							**40,831**	60,517
Intersegment eliminations							**(1,133)**	(5,307)
Total*							**39,698**	55,210

*Total reconciles to the following statement of income items:
- Operating revenue
- Other operating income
- Net investment income
- Foreign currency exchange gain / (loss)
- Reversal of income tax on subsidiaries

19. OPERATING SEGMENTS (Continued)

19.1.2.Segments results (Unaudited)

	Commercial segment Nine months ended 30 September		Food processing segment Nine months ended 30 September		Investments segment Nine months ended 30 September		Total Nine months ended 30 September	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
				KD 000's				
Kuwait	**(3,418)**	1,741	**604**	1,151	**100**	156	**(2,714)**	3,048
UAE	**(1,082)**	(447)	-	-	-	-	**(1,082)**	(447)
Australia	**(299)**	(92)	-	-	-	-	**(299)**	(92)
South Africa	**(649)**	(676)	-	-	-	-	**(649)**	(676)
Total	**(5,448)**	526	**604**	1,151	**100**	156	**(4,744)**	1,833
Unallocated items:								
Other unallocated costs							**(136)**	(75)
(Loss) / profit for the period							**(4,880)**	1,758
Intersegment eliminations							**(5)**	(8)
Total							**(4,885)**	1,750

19.1.3. Segmental distribution of assets and liabilities (Unaudited)

	Commercial segment			Food processing segment			Investments segment			Total		
	30 September 2021	31 December 2020 (Audited)	30 September 2020	30 September 2021	31 December 2020 (Audited)	30 September 2020	30 September 2021	31 December 2020 (Audited)	30 September 2020	30 September 2021	31 December 2020 (Audited)	30 September 2020
						KD 000's						
Assets	**57,664**	57,016	59,160	**5,114**	5,059	5,052	**2,613**	5,727	7,074	**65,391**	67,802	71,287
Liabilities	**28,958**	26,452	28,900	**61**	58	226	-	-	-	**29,019**	26,510	29,126

Intersegment assets and liabilites are eliminated on consolidation.

19. OPERATING SEGMENTS (Continued)

19.1.4. Geographical distribution of assets and liabilities (Unaudited)

	30 September 2021					
	Kuwait	**UAE**	**Australia**	**South Africa**	**Eliminations**	**Total**
	KD 000's					
Assets	**68,128**	**6,161**	**2,643**	**1,938**	**(13,479)**	**65,391**
Liabilities	**32,344**	**7,895**	**514**	**3,457**	**(15,191)**	**29,019**

	31 December 2020 (Audited)					
	Kuwait	**UAE**	**Australia**	**South Africa**	**Eliminations**	**Total**
	KD 000's					
Assets	58,019	5,646	2,833	1,415	(111)	67,802
Liabilities	24,595	1,162	348	414	(9)	26,510

	30 September 2020					
	Kuwait	**UAE**	**Australia**	**South Africa**	**Eliminations**	**Total**
	KD 000's					
Assets	69,157	6,263	2,887	1,160	(8,181)	71,287
Liabilities	27,399	7,317	526	1,853	(7,969)	29,126

20. ANNUAL GENERAL ASSEMBLY MEETING

The Parent Company's Ordinary Annual General Assembly meeting ("AGM"), held on 11 April 2021, approved the annual consolidated financial statements for the financial year ended 31 December 2020.