Grant Thornton
Al-Qatami, Al-Aiban & Partners

# Interim condensed consolidated financial information and review report

## Gulf Investment House – KPSC and Subsidiaries

## Kuwait

30 September 2024 (Unaudited)

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# Report on review of interim condensed consolidated financial information

To the Board of Directors of
Gulf Investment House – KPSC
Kuwait

*Introduction*
We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Investment House KPSC (the "Parent Company") and its subsidiaries (together "the Group") as of 30 September 2024 and the related interim condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended and, interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

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

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

**Report on review of other legal and regulatory requirements**
Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violation of the Companies Law No. 1 of 2016, as amended and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine-month period ended 30 September 2024 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provision of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2024 that might have had a material effect on the business or financial position of the Parent Company.



Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
14 November 2024

# Interim condensed consolidated statement of profit or loss

| | Note | Three months ended 30 Sept. 2024 (Unaudited) KD | Three months ended 30 Sept. 2023 (Unaudited) KD | Nine months ended 30 Sept. 2024 (Unaudited) KD | Nine months ended 30 Sept. 2023 (Unaudited) KD |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Sale of Goods | | **1,847,962** | 1,869,274 | **5,394,101** | 6,156,093 |
| Cost of sales | | **(1,179,814)** | (1,129,293) | **(3,369,901)** | (4,225,038) |
| **Gross profit** | | **668,148** | 739,981 | **2,024,200** | 1,931,055 |
| Unrealised (loss)/gain on financial assets at fair value through profit or loss | | **(61,963)** | 492,619 | **(453,762)** | 705,324 |
| Realised gain on financial assets at fair value through profit or loss | | **144,766** | 244,060 | **979,789** | 512,400 |
| Gain on partial disposal of asset held for sale | 16 | **1,105,766** | - | **1,105,766** | - |
| Share of results of associates | 9 | **(36,164)** | 133,949 | **966,047** | 232,302 |
| Gain on bargain purchase of associates | 9 | **13,353** | - | **627,955** | 1,007,810 |
| Loss on partial disposal of investments in associates | | **-** | - | **(7,902)** | - |
| Dividend income | | **12,495** | - | **370,579** | 432,894 |
| Profit from saving deposits | | **449** | 24,798 | **27,956** | 81,735 |
| Reversal of provision for impairment of/(impairment in value of) investment in associates | 9 | **335,084** | (344,544) | **(745,901)** | (1,115,009) |
| Other income | | **385** | 2,092 | **84,456** | 51,883 |
| | | **2,182,319** | 1,292,955 | **4,979,183** | 3,840,394 |
| **Expenses and other charges** | | | | | |
| Staff costs | | **(285,703)** | (248,708) | **(855,851)** | (764,815) |
| Selling and distribution costs | | **(196,015)** | (159,710) | **(545,816)** | (515,294) |
| General, administrative and other expenses | | **(377,023)** | (330,303) | **(1,074,671)** | (782,562) |
| Reversal of impairment for accounts receivable and other assets | | **-** | 133,529 | **-** | 133,529 |
| Finance cost | | **(24,918)** | - | **(72,785)** | - |
| Foreign exchange (loss)/gain | | **(228)** | 1,437 | **(2,381)** | 1,382 |
| | | **(883,887)** | (603,755) | **(2,551,504)** | (1,927,760) |
| **Profit before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), Zakat and National Labour Support Tax ("NLST")** | | **1,298,432** | 689,200 | **2,427,679** | 1,912,634 |
| Provision for KFAS | | **(12,907)** | (3,999) | **(22,486)** | (18,735) |
| Provision for Zakat | | **(7,155)** | (4,468) | **(21,263)** | (17,064) |
| Provision for NLST | | **(13,774)** | (3,406) | **(47,382)** | (27,825) |
| **Profit for the period** | | **1,264,596** | 677,327 | **2,336,548** | 1,849,010 |
| **Attributable to:** | | | | | |
| Owners of the Parent Company | | **1,230,521** | 500,637 | **2,131,150** | 1,435,988 |
| Non-controlling interest | | **34,075** | 176,690 | **205,398** | 413,022 |
| | | **1,264,596** | 677,327 | **2,336,548** | 1,849,010 |
| **Basic and diluted earnings per share attributable to the owners of the Parent Company (Fils)** | 5 | **3.08** | 1.23 | **5.31** | 3.54 |

*The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.*

# Interim condensed consolidated statement of profit or loss and other comprehensive income

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **30 Sept. 2024 (Unaudited) KD** | 30 Sept. 2023 (Unaudited) KD | **30 Sept. 2024 (Unaudited) KD** | 30 Sept. 2023 (Unaudited) KD |
| Profit for the period | **1,264,596** | 677,327 | **2,336,548** | 1,849,010 |
| **Other comprehensive (loss)/income:** | | | | |
| ***Items to be reclassified to profit or loss in subsequent periods:*** | | | | |
| Exchange differences arising on translation of foreign operations | **(168,609)** | 74,908 | **(196,614)** | 66,566 |
| Trasnferred to consolidated statements of profit or loss on disposal of asset held for sale | **(113,200)** | - | **(113,200)** | - |
| ***Total other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods*** | **(281,809)** | 74,908 | **(309,814)** | 66,566 |
| ***Items not to be reclassified to profit or loss in subsequent periods:*** | | | | |
| Net changes in fair value of investments in equity instruments designated at FVTOCI | **17,675** | (3,342) | **(212,942)** | (116,657) |
| Share of other comprehensive income of associates | **-** | - | **-** | 336,490 |
| ***Total other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods*** | **17,675** | (3,342) | **(212,942)** | 219,833 |
| **Total other comprehensive (loss)/income for the period** | **(264,134)** | 71,566 | **(522,756)** | 286,399 |
| **Total comprehensive income for the period** | **1,000,462** | 748,893 | **1,813,792** | 2,135,409 |
| **Total comprehensive income attributable to:** | | | | |
| Owners of the Parent Company | **972,577** | 582,398 | **1,626,041** | 1,753,022 |
| Non-controlling interests | **27,885** | 166,495 | **187,751** | 382,387 |
| | **1,000,462** | 748,893 | **1,813,792** | 2,135,409 |

*The notes set out on pages 8 to 17 an integral part of this interim condensed consolidated financial information.*

# Interim condensed consolidated statement of financial position

| | Note | 30 Sept. 2024 (Unaudited) KD | 31 Dec. 2023 (Audited) KD | 30 Sept. 2023 (Unaudited) KD |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and bank balances | 6 | **2,478,848** | 3,952,008 | 5,693,389 |
| Short-term deposits | 6 | **5,519,565** | 4,128,051 | 3,596,000 |
| Financial assets at fair value through profit or loss | 7 | **13,416,285** | 13,350,455 | 14,586,597 |
| Financial assets at fair value through other comprehensive income | | **887,944** | 1,098,104 | 652,987 |
| Asset held for sale | 16 | **4,476,073** | - | - |
| Inventories | | **786,524** | 925,872 | 782,402 |
| Accounts receivables and other assets | 8 | **3,385,733** | 3,808,254 | 4,690,512 |
| Investment in associates | 9 | **16,183,538** | 21,597,287 | 19,012,541 |
| Investment properties | | **697,174** | 705,783 | 756,245 |
| Property, plant and equipment | | **4,328,310** | 3,307,372 | 2,534,236 |
| Right of use of assets | | **2,726,021** | 2,734,186 | 2,649,488 |
| Intangible assets | | **579,520** | 591,473 | 593,140 |
| Goodwill | | **356,017** | 356,017 | 356,017 |
| **Total assets** | | **55,821,552** | 56,554,862 | 55,903,554 |
| **Liabilities and equity** | | | | |
| **Liabilities** | | | | |
| Trade payables and other liabilities | | **2,273,930** | 2,421,153 | 2,292,714 |
| Lease liabilities | | **2,770,964** | 2,743,645 | 2,664,671 |
| **Total liabilities** | | **5,044,894** | 5,164,798 | 4,957,385 |
| **Equity** | | | | |
| Share capital | 10 | **40,649,566** | 40,649,566 | 40,649,566 |
| Treasury shares | 11 | **(4,387,935)** | (1,237,521) | (787,180) |
| Treasury shares reserve | | **1,037,861** | - | - |
| Statutory reserve | | **446,340** | 446,340 | 186,519 |
| Cumulative changes in fair value | | **(441,789)** | (228,847) | (121,736) |
| Foreign currency translation reserve | | **581,875** | 874,042 | 767,546 |
| Retained earnings | | **6,078,573** | 3,944,872 | 3,128,360 |
| **Equity attributable to the owners of the Parent Company** | | **43,964,491** | 44,448,452 | 43,823,075 |
| Non-controlling interests | | **6,812,167** | 6,941,612 | 7,123,094 |
| **Total equity** | | **50,776,658** | 51,390,064 | 50,946,169 |
| **Total liabilities and equity** | | **55,821,552** | 56,554,862 | 55,903,554 |

Abdulaziz A. Alsanad
Chairman

Mohammad S. AlAyoub
Chief Executive Officer

*The notes set out on pages 8 to 17 an integral part of this interim condensed consolidated financial information.*

# Interim condensed consolidated statement of changes in equity

| | Entity attributable to the owners of the Parent Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share Capital KD | Treasury shares KD | Treasury Share Reserve KD | Statutory Reserve KD | Cumulative changes in fair value KD | Foreign currency translation reserve KD | Retained earnings KD | Sub-Total KD | Non-controlling interests KD | Total equity KD |
| **Balance as at 1 January 2024** | 40,649,566 | (1,237,521) | - | 446,340 | (228,847) | 874,042 | 3,944,872 | 44,448,452 | 6,941,612 | 51,390,064 |
| Acquisition of additional shares in subsidiary | - | - | - | - | - | - | 2,551 | 2,551 | (10,037) | (7,486) |
| Purchase of treasury shares (Note 11) | - | (6,560,544) | - | - | - | - | - | (6,560,544) | - | (6,560,544) |
| Sales of treasury shares | - | 3,410,130 | 1,037,861 | - | - | - | - | 4,447,991 | - | 4,447,991 |
| Dividends paid to non-controlling interest by the subsidiary | - | - | - | - | - | - | - | - | (307,159) | (307,159) |
| **Transaction with owners** | - | (3,150,414) | 1,037,861 | - | - | - | 2,551 | (2,110,002) | (317,196) | (2,427,198) |
| Profit for the period | - | - | - | - | - | - | 2,131,150 | 2,131,150 | 205,398 | 2,336,548 |
| Total other comprehensive loss for the period | - | - | - | - | (212,942) | (292,167) | - | (505,109) | (17,647) | (522,756) |
| **Total comprehensive (loss)/income for the period** | - | - | - | - | (212,942) | (292,167) | 2,131,150 | 1,626,041 | 187,751 | 1,813,792 |
| Balance as at 30 September 2024 | 40,649,566 | (4,387,935) | 1,037,861 | 446,340 | (441,789) | 581,875 | 6,078,573 | 43,964,491 | 6,812,167 | 50,776,658 |

*The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.*

# Interim condensed consolidated statement of changes in equity

| | Equity attributable to the owners of the Parent Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share Capital KD | Treasury shares KD | Statutory Reserve KD | Cumulative changes in fair value KD | Foreign currency translation reserve KD | Retained earnings KD | Sub-Total KD | Non-controlling interests KD | Total equity KD |
| **Balance as at 1 January 2023** | 40,649,566 | - | 186,519 | (849,456) | 333,855 | 2,536,749 | 42,857,233 | 7,052,385 | 49,909,618 |
| Acquisition of additional shares in subsidiary | - | - | - | - | - | - | - | (3,770) | (3,770) |
| Purchase of treasury shares (Note 11) | - | (787,180) | - | - | - | - | (787,180) | - | (787,180) |
| Dividend paid to non-controlling interest by the subsidiaries | - | - | - | - | - | - | - | (307,908) | (307,908) |
| **Transaction with owners** | - | (787,180) | - | - | - | - | (787,180) | (311,678) | (1,098,858) |
| Profit for the period | - | - | - | - | - | 1,435,988 | 1,435,988 | 413,022 | 1,849,010 |
| Total other comprehensive (loss)/income for the period | - | - | - | (116,657) | 433,691 | - | 317,034 | (30,635) | 286,399 |
| **Total comprehensive (loss)/income for the period** | - | - | - | (116,657) | 433,691 | 1,435,988 | 1,753,022 | 382,387 | 2,135,409 |
| **Transfer on derecognition/write off of financial assets at fair value through other comprehensive income** | - | - | - | 844,377 | - | (844,377) | - | - | - |
| **Balance as at 30 September 2023** | 40,649,566 | (787,180) | 186,519 | (121,736) | 767,546 | 3,128,360 | 43,823,075 | 7,123,094 | 50,946,169 |

*The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.*

# Interim condensed consolidated statement of cash flows

| | Note | Nine months ended 30 Sept. 2024 (Unaudited) KD | Nine months ended 30 Sept. 2023 (Unaudited) KD |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| **Profit before KFAS, Zakat and NLST** | | **2,427,679** | 1,912,634 |
| Adjustments: | | | |
| Depreciation and amortisation | | **641,488** | 193,609 |
| Finance cost | | **72,785** | - |
| Dividend income | | **(370,579)** | (432,894) |
| Profit from saving deposits | | **(27,956)** | (81,735) |
| Share of results of associates | 9 | **(966,047)** | (1,240,112) |
| Gain on partial disposal of asset held for sale | 16 | **(1,105,766)** | - |
| Gain on bargain purchases of associates | | **(627,955)** | - |
| Impairment in value of investment in associates | 9 | **745,901** | 1,115,009 |
| Loss on partial disposal of investments in associates | 9 | **7,902** | - |
| Reversal of impairment for accounts receivable and other assets | | **-** | (133,529) |
| Provision for employees end of service benefits | | **108,196** | 75,258 |
| | | **905,648** | 1,408,240 |
| **Changes in operating assets and liabilities**: | | | |
| Financial assets at fair value through profit or loss | | **65,830** | 2,682,176 |
| Accounts receivables and other assets | | **474,932** | (1,281,741) |
| Inventories | | **139,347** | 58,073 |
| Other liabilities | | **(481,264)** | (600,905) |
| Cash used in operations | | **1,104,493** | 2,265,843 |
| Employee end of service benefits paid | | **(36,858)** | (8,649) |
| **Net cash from operating activities** | | **1,067,635** | 2,257,194 |
| **INVESTING ACTIVITIES** | | | |
| Additions to property and equipment | | **(1,410,661)** | (928,890) |
| Additions to investments in associates | 9 | **(709,547)** | (663,588) |
| Proceeds from partial disposal of investments in associates | | **303,830** | - |
| Additions to asset held for sale | | **(4,136,242)** | - |
| Disposal proceeds from asset held for sale | 16 | **6,853,069** | - |
| Net cash flow from acquisition of subsidiary | | **(10,189)** | (34,432) |
| Redemption proceeds received from financial assets at fair value through other comprehensive income | | **(10,259)** | 76,990 |
| Dividends received from associates | 9 | **279,826** | - |
| Dividend income received | | **370,579** | 432,894 |
| Profit received from saving deposits | | **27,956** | 81,735 |
| **Net cash from/(used in) investing activities** | | **1,558,362** | (1,035,291) |
| **FINANCING ACTIVITIES** | | | |
| Purchase of treasury shares | | **(6,560,544)** | (787,180) |
| Proceeds from disposal of treasury shares | | **4,447,991** | - |
| Lease liabilities paid | | **(287,931)** | - |
| Movement in restricted bank accounts | 6 | **5,649** | 530 |
| Dividend paid to non-controlling interest by the subsidiaries | | **(307,159)** | (307,908) |
| **Net cash used in financing activities** | | **(2,701,994)** | (1,094,558) |
| Net (decrease)/increase in cash and cash equivalents | | **(75,997)** | 127,345 |
| Cash and cash equivalents at beginning of the period | | **7,953,049** | 9,034,950 |
| **Cash and cash equivalents at end of the period** | 6 | **7,877,052** | 9,162,295 |

*The notes set out on pages 8 to 17 form an integral part of this interim consolidated financial information.*

# Notes to the interim condensed consolidated financial information

## 1 Incorporation and activities

This interim condensed consolidated financial information of Gulf Investment House - KPSC (the "Parent Company") and its subsidiaries (collectively the "Group") for the period ended 30 September 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 14 November 2024.

The Parent Company was incorporated in Kuwait on 8 September 1998 as a Kuwaiti shareholding company in accordance with the Commercial Companies Law. The Parent Company along with its subsidiaries are jointly referred to as "the Group". The Parent Company is registered with the Central Bank of Kuwait as a finance company. The Parent Company's shares are traded on the Kuwait Stock Exchange and Abu Dhabi Securities Exchange.

The Parent Company is a subsidiary of GIH Financing Ltd., (The Ultimate Parent Company).

The Group is primarily engaged in investment activities and related financial and advisory services. All activities of the Group are carried out in compliance with the Noble Islamic Sharee'a, as approved by the Parent Company's Fatwa and Sharee'a Supervisory Board.

The Parent Company's registered head office is at Jawharat Al Khaleej Complex, Al Qibla, Block 6, Fadh Al Salem Street, Floor 8, PO Box 28808, 13149 Safat, Kuwait.

The annual consolidated financial statements for the year ended 31 December 2023 were authorised for issuance by the Board of Directors on 20 March 2024 and was approved by the shareholders at the Annual General Meeting held on 20 May 2024.

## 2 Basis of preparation and presentation

This interim condensed consolidated financial information of the Group for the nine-months period ended 30 September 2024 has been prepared in accordance with IAS 34, Interim Financial Reporting.

The annual consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with IFRS Accounting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine-months period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2023.

## 3 Changes in accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the new and amended IFRS Accounting Standards effective as of 1 January 2024 as described in Note 3.1 and new policy adopted by the Group described in Note 3.2. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

# Notes to the interim condensed consolidated financial information (continued)

## 3 Changes in accounting policies (continued)

### 3.1 New and amended standards adopted by the Group

The following new amendments or standards were effective for the current period.

| *Description* | *Effective for annual periods beginning* |
|---|---|
| IAS 1 Amendments- Classification of liabilities as current or non-current | 1 January 2024 |
| IFRS 16 Amendments- Lease liability in a sale and leaseback | 1 January 2024 |

**IAS 1 Amendments - Classification of current or non-current**

The amendments to IAS 1 clarify the classification of a liabiity as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

The adoption of the amendments did not have a significant impact on the Group's interim consolidated financial information.

**IFRS 16 Amendments – Lease liability in a sale and leaseback**

The amendments to IFRS 16 requires a seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction at the proportion of the previous carrying amount of the asset that relates to the right of use the seller-lessee retains. Accordingly, in a sale and leaseback transaction the seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The initial measurement of the lease liability that arise from a sale and leaseback transaction is a consequence of how the seller-lessee measures the right-of-use asset and the gain or loss recognised at the date of the transaction. The new requirements do not prevent a seller-lessee from recognising in any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments did not have a significant impact on the Group's interim consolidated financial information.

### 3.2 Non-current assets and liabilities classified as held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Any profit or loss arising from the sale of a non-current assets held for sale or its remeasurement to fair value less costs to sell is presented as part of a single line item in profit or loss.

## 4 Judgement and estimates

The preparation of interim condensed consolidated 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.

# Notes to the interim condensed consolidated financial information (continued)

## 4 Judgement and estimates (continued)

In preparing this interim condensed consolidated 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 annual audited consolidated financial statements as at and for the year ended 31 December 2023.

## 5 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period as follows (excluding treasury shares):

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **30 Sept. 2024 (Unaudited)** | 30 Sept. 2023 (Unaudited) | **30 Sept. 2024 (Unaudited)** | 30 Sept. 2023 (Unaudited) |
| Profit for the period attributable to the owners of the Parent Company (KD) | **1,230,521** | 500,637 | **2,131,150** | 1,435,988 |
| Weighted average number of shares outstanding during the period (excluding treasury shares) | **400,096,307** | 405,442,984 | **401,371,753** | 406,140,912 |
| Basic and diluted earnings per share (Fils) | **3.08** | 1.23 | **5.31** | 3.54 |

## 6 Cash and cash equivalents

Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows are made up as follows:

| | **30 Sept. 2024 (Unaudited) KD** | 31 Dec. 2023 (Audited) KD | 30 Sept. 2023 (Unaudited) KD |
|---|---|---|---|
| Cash and bank balances | **2,478,848** | 3,952,008 | 5,693,389 |
| Short term deposits | **5,519,565** | 4,128,051 | 3,596,000 |
| | **7,998,413** | 8,080,059 | 9,289,389 |
| Less: Dividend restricted bank accounts | **(121,361)** | (127,010) | (127,094) |
| Cash and cash equivalents as per the statement of cash flows | **7,877,052** | 7,953,049 | 9,162,295 |

The short terms deposits have original maturity of three months or less and carry profit of 3.5% to 4.75% (31 December 2023: 4.35% to 5% and 30 September 2023: 4.35% to 5.3%) per annum.

## 7 Financial assets at fair value through profit or loss

| | **30 Sept. 2024 (Unaudited) KD** | 31 Dec. 2023 (Audited) KD | 30 Sept. 2023 (Unaudited) KD |
|---|---|---|---|
| Quoted securities | **5,175,237** | 4,374,750 | 5,442,069 |
| Unquoted securities | **7,898,264** | 7,880,854 | 8,141,957 |
| Debt instruments | **342,784** | 1,094,851 | 1,002,571 |
| | **13,416,285** | 13,350,455 | 14,586,597 |

# Notes to the interim condensed consolidated financial information (continued)

## 7 Financial assets at fair value through profit or loss (continued)

Fair values of unquoted securities and unquoted funds managed by external fund managers are determined using valuation techniques that are not based on observable market prices or rates. The fair value of debt instruments are determined based on net assets value of operations (Note 14.2).

## 8 Accounts receivable and other assets

| | 30 Sept. 2024 (Unaudited) KD | 31 Dec. 2023 (Audited) KD | 30 Sept. 2023 (Unaudited) KD |
|---|---|---|---|
| Trade receivable | 1,331,182 | 1,520,119 | 1,439,567 |
| Provision for doubtful debts | (77,141) | (77,141) | (71,178) |
| | 1,254,041 | 1,442,978 | 1,368,389 |
| Staff receivables | 27,211 | 22,898 | 29,486 |
| Dividend receivable from an associate (Note 13) | - | 238,044 | 238,044 |
| Refundable deposits | 173,713 | 158,039 | 107,544 |
| Prepaid expenses | 100,193 | 72,190 | 150,955 |
| Due from an associate (Note 13) | 11,026 | - | 682,259 |
| Due from a related party (Note 13) | 225,903 | 116,108 | 92,997 |
| Other receivables | 494,606 | 601,336 | 614,080 |
| Projects under progress | - | - | 624,318 |
| Advance payment to incorporate subsidiaries | 332,373 | 956,661 | 582,440 |
| Advance payment for the purchase of investments | 766,667 | 200,000 | 200,000 |
| | 3,385,733 | 3,808,254 | 4,690,512 |

## 9 Investment in associates

The movement of investment in associates is as follows:

| | 30 Sept. 2024 (Unaudited) KD | 31 Dec. 2023 (Audited) KD | 30 Sept. 2023 (Unaudited) KD |
|---|---|---|---|
| Carrying value as at beginning of the period/year | 21,597,287 | 17,819,575 | 17,819,575 |
| Additions during the period/year | 709,547 | 2,001,584 | 663,588 |
| Disposal during the period/year | (311,682) | - | - |
| Share of results | 966,047 | 2,400,487 | 232,302 |
| Transfer to asset held for sale (Note 9c & 16) | (6,249,241) | - | - |
| Gains on bargain purchases of associates (Note 9a) | 627,955 | 1,007,812 | 1,007,810 |
| Impairment for investment in associates (Note 9b) | (745,901) | (1,957,256) | (1,115,009) |
| Share of foreign currency translation reserve | (138,091) | 1,500 | 80,688 |
| Other comprehensive income | 7,443 | 323,585 | 323,587 |
| Dividend received from associates | (279,826) | - | - |
| | 16,183,538 | 21,597,287 | 19,012,541 |

a) During the period, the Parent Company acquired additional equity interests in three entities, resulting in net bargain purchases. It acquired a 7.42% stake in Mada'in Properties PJSC for KD450,609, yielding a net bargain purchase of KD615,398 increasing the Group's ownership in this associate to 25.58% as of 30 September 2024. Additionally, it acquired a 0.28% stake in Al Rouyah Capital Holding KSCC for KD10,665, resulting in a net bargain purchase of KD4,089. Furthermore, the Parent Company acquired a 0.53% stake in Inovest BSC (Closed) for KD178,182, with a net bargain purchase of KD8,468 prior to the classified for asset held for sale.

# Notes to the interim condensed consolidated financial information (continued)

## 9 Investment in associates (continued)

b) The carrying amount of investments in associates is assessed for impairment by estimating the recoverable amount using a fair value approach. This fair value estimation incorporates adjusted net asset values of the investees and market-observable data, including price-to-book and price-to-earnings multiples of comparable companies. Based on this impairment assessment, the Parent Company has recorded impairment provisions totaling KD745,901 for its associates during the period.

c) During the 3rd quarter, the Group's management reclassified 17.93% of its investment in the associate, Inovest BSC (Closed), as assets held for sale (Note 16), with the remaining 6.95% of the investment continuing to be recognized as an investment in associate.

## 10 Share Capital

The authorised, issued and paid up capital of the Parent Company amounts to KD40,649,566 (31 December 2023 and 30 September 2023: KD40,649,566) distributed over 406,495,660 shares (31 December 2023 and 30 September 2023: 406,495,660) with 100 Fils par value.

## 11 Treasury Shares

| | 30 Sept. 2024 (Unaudited) KD | 31 Dec. 2023 (Audited) KD | 30 Sept. 2023 (Unaudited) KD |
|---|---|---|---|
| Number of shares | 7,364,601 | 3,246,884 | 2,021,515 |
| Percentage of issued shares | 1.81% | 0.80% | 0.5% |
| Market value | 5,442,440 | 1,068,225 | 782,326 |
| Cost | 4,387,935 | 1,237,521 | 787,180 |

Reserves of the Parent Company equivalent to the cost of the treasury shares have been earmarked as non-distributable.

## 12 Segment analysis

The Group activities are concentrated in three main segments: Investments and Real Estate and manufacturing. These segments are regularly reviewed by the Chief Operating Decision Maker (CODM) for resource allocation and performance assessment Segment results include revenue and expense directly attributable to each reporting segment as the Group does not have any inter segment charges. Segment assets comprise those operating assets that are directly attributable to the segment.

| | Investments KD | Real estate KD | Manufacturing KD | Unallocated KD | Total KD |
|---|---|---|---|---|---|
| **Nine months ended 30 September 2024 (Unaudited)** | | | | | |
| Segment income | 774,128 | - | 4,859,149 | 2,715,807 | 8,349,084 |
| Segment result | 774,128 | - | 1,535,165 | 27,255 | 2,336,548 |
| Total assets | 42,962,252 | 697,174 | 6,493,366 | 5,668,760 | 55,821,552 |
| Total liabilities | - | - | 2,692,401 | 2,352,493 | 5,044,894 |

# Notes to the interim condensed consolidated financial information (continued)

## 12 Segment analysis (continued)

| | Investments KD | Real estate KD | Manufacturing KD | Unallocated KD | Total KD |
|---|---|---|---|---|---|
| **As at 31 December 2023 (Audited)** | | | | | |
| Total assets | 44,125,905 | 705,783 | 8,034,978 | 3,688,196 | 56,554,862 |
| Total liabilities | - | - | 1,083,951 | 4,080,847 | 5,164,798 |
| **Net assets** | 44,125,905 | 705,783 | 6,951,027 | (392,651) | 51,390,064 |
| **Nine months ended 30 September 2023 (Unaudited)** | | | | | |
| Segment income | 1,909,340 | - | 5,740,709 | 415,383 | 8,065,432 |
| Segment result | 1,909,340 | - | 1,533,295 | (1,593,625) | 1,849,010 |
| Total assets | 42,538,943 | 756,245 | 7,161,395 | 5,446,971 | 55,903,554 |
| Total liabilities | - | - | 1,548,809 | 3,408,576 | 4,957,385 |

## 13 Related party transactions

Related parties represent the associates, major shareholders, directors and key management personnel of the Group, and other related parties and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

Details of significant related party transactions are as follows:

| | 30 Sept. 2024 (Unaudited) KD | 30 Sept. 2023 (Unaudited) KD |
|---|---|---|
| **Balance included in the consolidated statement of finance position:** | | |
| Due from related parties – associates (included in accounts receivables and other assets) | | |
| - Dividends receivable from an associate (Note 8) | - | 238,044 |
| - Due from an associate (Note 8) | 11,026 | 682,259 |
| - Due from a related party (Note 8) | 225,903 | 92,997 |

| | Nine months ended 30 Sept. 2024 (Unaudited) KD | Nine months ended 30 Sept. 2023 (Unaudited) KD |
|---|---|---|
| **Compensation of key management personnel of the Group** | | |
| Salaries and other short-term benefits | 228,389 | 194,746 |
| Terminal benefits | 25,549 | 21,345 |
| Consultancy fees paid | 31,000 | 28,000 |
| | 284,938 | 244,091 |

# Notes to the interim condensed consolidated financial information (continued)

## 14 Summary of financial assets and liabilities by category and fair value measurement

### 14.1 Categories of financial assets and liabilities

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position may also be categorized as follows:

| | 30 Sept. 2024 (Unaudited) KD | 31 Dec. 2023 (Audited) KD | 30 Sept. 2023 (Unaudited) KD |
|---|---|---|---|
| **At amortised cost:** | | | |
| • Bank balances and short term deposits | **7,998,413** | 8,080,059 | 9,289,389 |
| • Accounts receivables and other assets | **2,953,167** | 2,779,403 | 3,483,754 |
| | **10,951,580** | 10,859,462 | 12,773,143 |
| **Financial assets at fair value through profit or loss:** | | | |
| • Quoted securities | **5,175,237** | 4,374,750 | 5,442,069 |
| • Unquoted securities | **7,898,264** | 7,880,854 | 8,141,957 |
| • Debt instruments | **342,784** | 1,094,851 | 1,002,571 |
| | **13,416,285** | 13,350,455 | 14,586,597 |
| **Financial assets at fair value through other comprehensive income** | | | |
| • Quoted equity securities | **559,455** | 537,805 | - |
| • Unquoted equity securities | **328,489** | 560,299 | 652,987 |
| • Unquoted funds managed by external fund managers | **-** | - | - |
| | **887,944** | 1,098,104 | 652,987 |
| **Total financial assets** | **25,255,809** | 25,308,021 | 28,012,727 |
| **Financial liabilities (at amortised cost) :** | | | |
| • Other liabilities | **2,273,930** | 2,421,153 | 2,292,714 |
| • Lease liabilities | **2,770,964** | 2,743,645 | 2,664,671 |
| | **5,044,894** | 5,164,798 | 4,957,385 |

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group measures financial instruments such as transaction amount at fair value though profit or loss and financial asset at fair value through other comprehensive income at fair value and measurement details are disclosed in Note 14.2 to the interim condensed consolidated financial information. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are carried at amortised costs are considered a reasonable approximation of their fair values.

### 14.2 Fair value hierarchy for financial instruments measured at fair value

The following table presents the financial assets which are measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

# Notes to the interim condensed consolidated financial information (continued)

## 14 Summary of financial assets and liabilities by category and fair value measurement (continued)

### 14.2 Fair value hierarchy for financial instruments measured at fair value (continued)

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | KD | KD | KD | KD |
| **30 September 2024 (unaudited)** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| • Quoted securities | **5,175,237** | - | - | **5,175,237** |
| • Unquoted securities | - | - | **7,898,264** | **7,898,264** |
| • Debt instruments | - | **342,784** | - | **342,784** |
| Financial assets at fair value through other comprehensive income | | | | |
| • Quoted equity securities | **559,455** | - | - | **559,455** |
| • Unquoted equity securities | - | - | **328,489** | **328,489** |
| Total financial assets at fair value | **5,734,692** | **342,784** | **8,226,753** | **14,304,229** |
| **31 December 2023 (audited)** | | | | |
| Financial assets at fair value: | | | | |
| Financial assets at fair value through profit or loss | | | | |
| • Quoted securities | 4,374,750 | - | - | 4,374,750 |
| • Unquoted securities | - | - | 7,880,854 | 7,880,854 |
| • Debt Instruments | - | 1,094,851 | - | 1,094,851 |
| Financial assets at fair value through other comprehensive income | | | | |
| • Quoted equity securities | 537,805 | - | - | 537,805 |
| • Unquoted equity securities | - | - | 560,299 | 560,299 |
| Total financial assets at fair value | 4,912,555 | 1,094,851 | 8,441,153 | 14,448,559 |

# Notes to the interim condensed consolidated financial information (continued)

## 14 Summary of financial assets and liabilities by category and fair value measurement (continued)

### 14.2 Fair value hierarchy for financial instruments measured at fair value (continued)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | KD | KD | KD | KD |
| **30 September 2023 (unaudited)** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| • Quoted securities | 5,442,069 | - | - | 5,442,069 |
| • Unquoted securities | - | - | 8,141,957 | 8,141,957 |
| • Debt Instruments | - | 1,002,571 | - | 1,002,571 |
| Financial assets at fair value through other comprehensive income | | | | |
| • Unquoted equity securities | - | - | 652,987 | 652,987 |
| Total financial assets at fair value | 5,442,069 | 1,002,571 | 8,794,944 | 15,239,584 |

The methods and valuation techniques used for measuring fair values are unchanged compared to the previous reporting year/period.

**Level 3 Fair value measurements**

The Group measurement of financial assets and liabilities classified in level 3 uses valuation techniques inputs that are not based on observable market date. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

| | **30 Sept. 2024 (Unaudited) KD** | 31 Dec. 2023 (Audited) KD | 30 Sept. 2023 (Unaudited) KD |
|---|---|---|---|
| Balance at the beginning of the period/year | **8,441,153** | 8,849,598 | 8,849,598 |
| Net change in fair value recognised in profit or loss | **(46,986)** | 59,213 | 200,622 |
| Net change in fair value recognised in other comprehensive income | **(231,810)** | (253,234) | (168,466) |
| Addition/(disposal) during the period/year | **64,396** | (102,668) | (86,810) |
| Reclassification to associate | **-** | (111,756) | - |
| Balance at the end of the period/year | **8,226,753** | 8,441,153 | 8,794,944 |

## 15 Dividend distribution

The shareholders at their Annual General Meeting was held on 20 May 2024 approved not to make any distributions for the year ended 31 December 2023 (31 December 2022: Nil).

# Notes to the interim condensed consolidated financial information (continued)

## 16 Asset held for sale

During the 3rd quarter, the management of the Group has transferred, 17.93% of its investments in associate, Inovest B.S.C (Closed) ("Inovest") with a carrying value of KD6,249,241 to assets held for sale category, upon meeting the criteria for recognition as non-current assets held for sale. As the management intends to retain the remaining 6.95% of Inovest, such will continue to be equity accounted in accordance with IFRS Accounting Standards until the disposal of the portion classified as assets held for sale since the Group has significant influence over Inovest as of the reporting date through the Group's representation on the board of directors.

During the period, the Group disposed part of the above assets held for sale along with additions made subsequently to assets held for sale with a total carrying value of KD5,860,503 (total additions made with a view to sell subsequent to the tranfer and added to held for sale amounted to KD4,087,335 for a consideration of KD6,853,069 realizing a gain of KD1,105,766, which includes reclassification of foreign currency translation reserve of KD113,200. Consequently the remaining stake of 10.81% with a carrying value of KD4,476,073 has been retained under assets held for sale as of the reporting date (Note 17a).

## 17 Subsequent events

a) Subsequent to the reporting date, the Group has disposed majority of its assets held for sale (Note16).

b) Subsequent to the reporting date, the Group signed an agreement to increase its ownership interest in an unlisted real estate company located in the Kingdom of Saudi Arabia which, as of the reporting date, is classified under "Financial Assets at FVTPL". The cost of acquisition amounting to KD6,890,232 (equivalent to SAR84,377,076), will raise the Group's ownership percentage in the Company to 36.84%. As a consequence of this potential increase in ownership, the Group will gain significant influence over the investee, and the investment will be reclassified from "Financial Assets at FVTPL" to "Investments in Associates" when the acquirision process is complete. The acquisition is expected to be completed during the 4th quarter of 2024, and the financial impact of this reclassification, including any gain recognized from the acquisition, will be reflected in the next quarter.

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