



Grant Thornton

Al-Qatami, Al-Aiban & Partners

Interim condensed consolidated financial information and review report

International Financial Advisors Holding – 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
International Financial Advisors Holding – KPSC
Kuwait

Introduction

We have reviewed the interim condensed consolidated statement of financial position of International Financial Advisors Holding – KPSC (“the Parent Company”) and its subsidiaries (“the Group”) as of 30 September 2024 and the related interim condensed consolidated statements of profit or loss and 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

Except as explained in Basis for Qualified Conclusion paragraph, 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.

Basis for Qualified Conclusion

As disclosed in note 7.1(a) to the interim condensed consolidated financial information, the share of results of one of the Group’s foreign associates has been accounted for based on management accounts for the nine-month period ended 30 September 2024. There were no practicable review procedures available to us to ascertain the impact of unavailability of reviewed financial information relating to this foreign associate on this interim condensed consolidated financial information. Had we been able to obtain reviewed and audited financial information, matters might have come to our attention indicating that adjustments might be necessary to the interim condensed consolidated financial information.

Qualified Conclusion

Except for the adjustments, if any, to the interim condensed consolidated 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 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, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred 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.

**Report on Review of Interim Condensed Consolidated Financial Information of
International Financial Advisors Holding – KPSC (continued)****Report on review of other legal and regulatory requirements (continued)**

We further report that, during the course of our review, we have not become aware of any material violations of the provisions 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
11 November 2024

Interim condensed consolidated statement of profit or loss

	Note	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
Income					
Change in fair value of investments at FVTPL		(20,580)	47,156	31,391	644,707
Share of results of associates and joint venture	7	2,112,743	5,892,637	6,752,700	7,120,233
Loss on disposal of assets held for sale		-	-	-	(2,900)
Dividend income		6,948	-	214,982	413,388
Gain on bargain purchase		-	-	-	314,458
Gain on settlement of a legal case		-	-	-	4,020,520
Gain on settlement of debt		-	4,860,730	-	4,860,730
Rent and other income		458,436	(46)	497,735	55,549
		2,557,547	10,800,477	7,496,808	17,426,685
Expenses and other charges					
Staff costs		(25,427)	(77,023)	(249,493)	(237,241)
Other operating expenses and charges		(437,530)	(61,165)	(754,015)	(406,904)
Finance costs		(112,442)	(189,386)	(482,112)	(808,177)
		(575,399)	(327,574)	(1,485,620)	(1,452,322)
Profit for the period before taxation		1,982,148	10,472,903	6,011,188	15,974,363
Taxation		(14,998)	(361,993)	(37,212)	(555,466)
Profit for the period		1,967,150	10,110,910	5,973,976	15,418,897
Attributable to:					
- Shareholders of the Parent Company		1,941,600	10,054,133	5,966,063	15,378,922
- Non-controlling interests		25,550	56,777	7,913	39,975
Profit for the period		1,967,150	10,110,910	5,973,976	15,418,897
Basic and diluted earnings per share attributable to shareholders of the Parent Company (Fils)	4	4.23	29.20	15.57	44.66

The notes set out on pages 9 to 23 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	1,967,150	10,110,910	5,973,976	15,418,897
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss:</i>				
Net change in fair value of investments at FVTOCI	2,388,905	8,028,794	355,931	7,512,127
	2,388,905	8,028,794	355,931	7,512,127
<i>Items that may be reclassified subsequently to consolidated statement of profit or loss:</i>				
Share of other comprehensive income of associates and joint venture	10,018	2,573,929	926,148	2,589,166
Exchange differences arising on translation of foreign operations	(27,278)	21,947	(28,618)	31,942
	(17,260)	2,595,876	897,530	2,621,108
Total other comprehensive income	2,371,645	10,624,670	1,253,461	10,133,235
Total comprehensive income for the period	4,338,795	20,735,580	7,227,437	25,552,132
Attributable to:				
- Shareholders of the Parent Company	4,314,888	20,678,237	7,220,697	25,568,473
- Non-controlling interests	23,907	57,343	6,740	(16,341)
	4,338,795	20,735,580	7,227,437	25,552,132

The notes set out on pages 9 to 23 form 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 cash equivalents	5	16,984,629	1,971,627	1,640,952
Assets held for sale		175,686	175,686	506,677
Investments at fair value through profit or loss		287,350	255,959	336,291
Receivables and other assets		3,877,423	3,613,285	3,461,902
Due from related parties	15	23,379,457	24,503,059	19,256,214
Investments at fair value through other comprehensive income	6	25,023,515	24,667,584	24,227,175
Investment properties		5,039,760	5,044,999	7,343,667
Investment in associates and joint venture	7	60,965,891	53,287,043	54,391,147
Equipment		7,841	10,247	10,967
Total assets		135,741,552	113,529,489	111,174,992
Liabilities and equity				
Liabilities				
Payables and other liabilities	8	10,782,413	11,547,877	10,577,811
Due to related parties	15	6,608,112	6,525,903	6,585,885
Borrowings	9	15,750,385	27,087,750	27,062,650
Total liabilities		33,140,910	45,161,530	44,226,346
Equity				
Share capital	10	48,011,859	26,673,255	26,673,255
Share premium	10	9,002,224	-	-
Treasury shares	11	(32,758,205)	(32,757,404)	(32,757,404)
Statutory and voluntary reserves		35,295,508	35,295,508	32,757,404
Fair value reserve		16,325,923	15,970,101	13,187,329
Foreign currency translation reserve		(1,334,722)	(1,462,957)	(1,330,289)
Reserve for financial derivatives		11,004,768	10,234,191	13,093,060
Retained earnings		12,101,824	9,470,542	10,673,571
Total equity attributable to the shareholders of the Parent Company		97,649,179	63,423,236	62,296,926
Non-controlling interests		4,951,463	4,944,723	4,651,720
Total equity		102,600,642	68,367,959	66,948,646
Total liabilities and equity		135,741,552	113,529,489	111,174,992


Saleh Saleh Al-Selmi
Chairman

The notes set out on pages 9 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the shareholders of the Parent Company							Non- controlling interests		Total
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Fair value reserve KD	Foreign currency translation reserve KD	Reserve for financial derivatives KD	Retained earnings KD	Sub – total KD	
Balance at 1 January 2024 (audited)	26,673,255	-	(32,757,404)	35,295,508	15,970,101	(1,462,957)	10,234,191	9,470,542	63,423,236	4,944,723 68,367,959
Capital increase (note 10)	18,004,447	9,002,224	-	-	-	-	-	-	27,006,671	- 27,006,671
Participation in capital increase by a subsidiary (note 10)	-	-	(801)	-	-	-	-	-	(801)	- (801)
Issue of bonus shares (note 14)	3,334,157	-	-	-	-	-	-	(3,334,157)	-	- -
Other adjustments	-	-	-	-	-	-	-	(624)	(624)	- (624)
Total transactions with owners	21,338,604	9,002,224	(801)	-	-	-	-	(3,334,781)	27,005,246	- 27,005,246
Profit for the period	-	-	-	-	-	-	-	5,966,063	5,966,063	7,913 5,973,976
Other comprehensive income/(loss) for the period	-	-	-	-	355,822	128,235	770,577	-	1,254,634	(1,173) 1,253,461
Total comprehensive income for the period	-	-	-	-	355,822	128,235	770,577	5,966,063	7,220,697	6,740 7,227,437
Balance at 30 September 2024 (unaudited)	48,011,859	9,002,224	(32,758,205)	35,295,508	16,325,923	(1,334,722)	11,004,768	12,101,824	97,649,179	4,951,463 102,600,642

The notes set out on pages 9 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the shareholders of the Parent Company						Non-controlling interests		Total
	Share capital KD	Treasury shares KD	Statutory and voluntary reserves KD	Fair value reserve KD	Foreign currency translation reserve KD	Reserve for financial derivatives KD	(Accumulated losses)/ retained earnings KD	Sub – total KD	
Balance at 1 January 2023 (audited)	26,673,255	(32,757,404)	32,757,404	5,616,861	(1,206,543)	10,347,807	(4,441,842)	36,989,538	41,534,104
Consolidation and other adjustments	-	-	-	-	-	-	144,483	144,483	125,850
Profit for the period	-	-	-	-	-	-	15,378,922	15,378,922	39,975
Other comprehensive income/(loss)	-	-	-	7,568,044	(123,746)	2,745,253	-	10,189,551	(56,316)
Total comprehensive income/(loss) for the period	-	-	-	7,568,044	(123,746)	2,745,253	15,378,922	25,568,473	(16,341)
Share of loss on partial disposal/ acquisition of interest in subsidiaries by an associate	-	-	-	-	-	-	(405,568)	(405,568)	(2,355)
Loss on sale of investments at FVTOCI	-	-	-	2,424	-	-	(2,424)	-	-
Balance at 30 September 2023 (unaudited)	26,673,255	(32,757,404)	32,757,404	13,187,329	(1,330,289)	13,093,060	10,673,571	62,296,926	66,948,646

The notes set out on pages 9 to 23 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 for the period before taxation		6,011,188	15,974,363
Adjustments:			
Share of results of associates and joint venture		(6,752,700)	(7,120,233)
Loss on disposal of assets held for sale		-	2,900
Gain on bargain purchase		-	(314,458)
Gain on settlement of legal case – non-cash		-	(3,593,565)
Gain on settlement of debt		-	(4,860,730)
Dividend income from FVTOCI		(214,982)	(413,388)
Finance costs		482,112	808,177
Depreciation		3,116	4,325
		(471,266)	487,391
Changes in operating assets and liabilities:			
Investments at FVTPL		(31,391)	(644,707)
Receivables and other assets		(264,138)	259,285
Due from related parties		1,123,602	856
Payables and other liabilities		(795,884)	(1,570,546)
Due to related parties		66,948	1,114,319
Net cash used in operating activities		(372,129)	(353,402)
INVESTING ACTIVITIES			
Additions to equipment		(710)	(12,465)
Proceeds from sale of investment at FVTOCI		-	2,851
Dividend income received from investments at FVTOCI		214,982	105,936
(Increase)/decrease in term deposits maturing after three months		(1,605,000)	50,000
Proceeds from sale of assets held for sale		-	540,736
Net cash (used in)/from investing activities		(1,390,728)	687,058
FINANCING ACTIVITIES			
Capital increase		27,005,870	-
Increase in borrowings		232,862	7,000,000
Settlement of borrowings		(11,570,227)	(6,416,250)
Finance costs paid		(463,699)	(578)
Net cash from financing activities		15,204,806	583,172
Increase in cash and cash equivalents		13,441,949	916,828
Foreign currency adjustment		(33,947)	24,868
Cash and cash equivalents at beginning of the period	5	1,187,627	(36,190)
Cash and cash equivalents at end of the period	5	14,595,629	905,506
Non-cash transactions			
Investments at FVTPL		-	1,311,106
Investment in associate		-	(1,311,106)
Investment properties		-	506,677
Non-current assets held for sale		-	(506,677)

The notes set out on pages 9 to 23 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the Parent Company

International Financial Advisors Holding – KPSC (“the Parent Company”) is a Kuwaiti Public Shareholding Company incorporated on 31 January 1974 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The Parent Company is listed on Boursa Kuwait and Dubai Financial Market.

The Securities Activities Licence issued by the Capital Markets Authority (“CMA”) expired on 29 March 2018 under which the Parent Company carried out certain investment activities. Management did not renew the licence. Accordingly, the CMA notified the Parent Company on 6 May 2018 that it is no longer considered a licenced entity under the CMA regulations. Consequently, the Parent Company is currently in the process of disposing the portfolios under management (Note 17).

The objectives of the Parent Company are as follows:

- Management of the Parent Company’s subsidiaries or participation in management of other companies in which it holds ownership stakes and providing the necessary support thereto.
- Investing funds by way of trading in shares, bonds and other financial securities
- Acquisition of properties and movables necessary to carry out the business activities as allowable by the law.
- Financing and extending loans to investee companies and providing guarantees for third parties, provided that the share of the holding company in the investee company is not less than 20%.
- Acquisition of industrial rights and related intellectual properties or any other industrial trademarks or royalties and any other property related thereto, and renting such properties to the subsidiary companies and others whether inside Kuwait or abroad.
- Using cash surplus to invest in financial portfolios/funds managed by specialised parties.

The Parent Company has the right to carry out its activities inside Kuwait or abroad whether directly or through power of attorney.

The Parent Company is authorized to have interest in or participate with any party or institution carrying out similar activities or those parties who will assist the company in achieving its objectives whether in Kuwait or abroad. The Parent Company has the right to establish, participate in or acquire such institutions.

The Group comprises the Parent Company and its subsidiaries.

The address of the Parent Company’s registered office is PO Box 4694, Safat 13047, State of Kuwait.

This interim condensed consolidated financial information for the nine-month period ended 30 September 2024 was authorised for issue by the Parent Company’s board of directors on 11 November 2024.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2024 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

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

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

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the 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-month 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 this 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. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following new IFRS Accounting Standards or amendments to existing IFRS Accounting Standards were effective for the current period.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments- Disclosure of accounting policies	1 January 2024
IAS 1 Amendments- Classification of liabilities as current or non-current	1 January 2024
IAS 7 and IFRS 7 Supplier finance arrangement disclosures	1 January 2024
IFRS 16 Amendments- Lease liability in a sale and leaseback	1 January 2024

IAS 1 Amendments - Classification of liabilities with debt covenants

The amendments to IAS 1 clarify that classification of liabilities as either current or non-current depends only on the covenants that an entity is required to comply with on or before the reporting date. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

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

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

IAS 1 Amendments - Classification of current or non-current

The amendments to IAS 1 clarify the classification of a liability 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 condensed consolidated financial information.

IAS 7 and IFRS 7 Amendments – Supplier finance arrangements

The amendments to IAS 7 and IFRS 7 added disclosure objectives to IAS 7 to enable the users of the financial statements to assess how the supplier finance arrangements effect an entity's liabilities and cash flows, and to understand the effect of these arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. While the amendments do not explicitly define supplier finance arrangements it instead describes characteristics of such arrangements.

To meet the disclosure objectives, an entity is required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

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

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

IFRS 16 Amendments – Lease liability in a sale and leaseback (continued)

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

4 Basic and diluted earnings per share attributable to the shareholders of the Parent Company

Basic and diluted earnings per share attributable to the shareholders of the Parent Company is calculated by dividing the profit for the period attributable to the shareholders of the Parent Company by the weighted average number of shares outstanding during the period 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 shareholders of the Parent Company (KD)	1,941,600	10,054,133	5,966,063	15,378,922
Weighted average number of shares outstanding during the period (shares)	459,202,892	344,354,071	383,062,377	344,354,071
Basic and diluted earnings per share attributable to the shareholders of the Parent Company (Fils)	4.23	29.20	15.57	44.66

The basic and diluted earnings per share reported during the previous period for the three-month and nine-month periods ended 30 September 2023 were 40.33 Fils and 61.69 Fils respectively, before retroactive adjustments relating to bonus share issue and rights issue. (Note 14).

5 Cash and cash equivalents

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Cash and bank balances	9,590,629	1,532,627	1,251,952
Cash in portfolio	5,350,000	-	-
Term deposits (a)	2,044,000	439,000	389,000
Cash and cash equivalents as per consolidated statement of financial position	16,984,629	1,971,627	1,640,952
Less: restricted balance (note 9)	(345,000)	(345,000)	(346,446)
Less: deposits maturing after more than three months	(2,044,000)	(439,000)	(389,000)
Cash and cash equivalents as per consolidated statement of cash flows	14,595,629	1,187,627	905,506

- a) The effective interest rate on term deposits as of 30 September 2024 range from 4.31% to 4.38% per annum (31 December 2023: 3.75% to 4.75% per annum and 30 September 2023: 3.75% to 4.75% per annum).

Notes to the interim condensed consolidated financial information (continued)

6 Investments at fair value through other comprehensive income

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Local quoted securities	22,114,700	21,758,828	19,285,182
Foreign quoted securities	3,567	3,590	4,018
Local unquoted securities	10,502	10,506	10,506
Foreign unquoted securities	2,891,244	2,891,244	4,923,588
Managed funds	3,502	3,416	3,881
	25,023,515	24,667,584	24,227,175

Investments at fair value through other comprehensive income aggregating to KD22,114,169 (31 December 2023: KD21,758,500 and 30 September 2023: to KD19,284,920) are pledged against borrowing facilities of the Group (Note 9).

7 Investment in associates and joint venture

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Investment in associates (note 7.1)	32,222,991	27,512,845	26,429,129
Investment in joint venture (note 7.2)	28,742,900	25,774,198	27,962,018
	60,965,891	53,287,043	54,391,147

7.1 Investment in associates

The movement in associates during the period/year is as follows:

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Carrying value at the beginning of the period/year	27,512,845	20,301,871	20,301,871
Additions	-	1,625,564	1,625,564
Share of results	4,554,575	6,109,663	5,070,251
Share of other comprehensive income/(loss)	155,571	(206,760)	(160,632)
Share of loss on partial disposal of interest in subsidiary by an associate	-	-	(407,925)
Share of loss accounted for directly in equity by associates	-	(317,493)	-
	32,222,991	27,512,845	26,429,129

- Investment in associates include investment in a foreign associate with a carrying value of KD1,813,423 which has been accounted for using management accounts for the nine-month period ended 30 September 2024.
- Investment in associates amounting to KD29,190,585 (31 December 2023: KD24,707,990 and 30 September 2023: to KD23,658,477) is pledged against Group's borrowings (Note 9).

Notes to the interim condensed consolidated financial information (continued)

7 Investment in associates and joint venture (continued)

7.2 Investment in joint venture

The movement of the investment in joint venture is as follows:

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Carrying value at the beginning of the period/year	25,774,198	23,166,783	23,166,783
Share of results	2,198,125	2,721,031	2,049,982
Share of other comprehensive income/(loss)	770,577	(113,616)	2,745,253
	28,742,900	25,774,198	27,962,018

- a) Investment in joint venture is pledged against the borrowing facilities obtained to finance the underlying project (note 12b).

8 Payables and other liabilities

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Accounts payable and accruals	913,196	1,538,631	1,564,718
Dividend payable	7,842	48,442	48,442
Provisions for taxation	5,457,400	5,420,188	5,611,693
Provision for employees' end of service benefits and leave	603,062	508,404	504,245
Due to policyholders	154,813	413,568	84,502
Policyholders' deficit reserve	3,307,127	2,963,175	2,424,788
Other liabilities	338,973	655,469	339,423
	10,782,413	11,547,877	10,577,811

9 Borrowings

The Group's borrowings are denominated in the following currencies:

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Murabaha facility in Kuwaiti Dinar (note 9.1)	7,228,487	6,995,625	7,000,000
Borrowings obtained from a related party (note 9.2)			
- Denominated in Kuwaiti Dinar	8,521,898	-	-
- Denominated in US Dollar	-	20,092,125	20,062,650
	15,750,385	27,087,750	27,062,650

Notes to the interim condensed consolidated financial information (continued)

9 Borrowings (continued)

The details of loan balances and bank facilities of the Group are as follows:

- 9.1 During the period, the Group restructured a Murabaha facility obtained from a local Islamic bank. The restructured facility has a limit of KD10,000,000, with an amount of KD7,228,487 utilized as of 30 September 2024. The facility carries a profit rate of 1.65% above the Central Bank of Kuwait's discount rate. The outstanding balance of the facility is scheduled to be repaid in 5 annual instalments, commencing on 1 July 2026.
- 9.2 The loan denominated in the US Dollar was obtained from Al-Nozha Al-Dawliya Real Estate Company WLL ("Al Nozha"), a related party, carrying annual interest rate of 1.5%. The loan was repayable in four annual equivalent instalments of USD3,275,000 (equivalent to KD999,203) beginning 31 March 2021 and ending on 31 March 2024, with final instalment of USD52,400,000 (equivalent to KD15,987,240) to be repaid on 31 March 2025.

On 3 September 2024, the Group restructured its loan with Al Nuzha, converting the original USD denominated loan to a KD denominated obligation. The net settlement arrangement of KD 20,521,898 comprise of principal of KD19,984,050, accrued interest of KD991,348 net of amount due from Al Nozha amounting to KD453,500.

According to the settlement agreement, the Group paid an initial down payment of KD12,000,000 on 3 September 2024. The remaining balance is scheduled for payment within nine months from the agreement date without interest to be charged on the outstanding amount. However, if the Group pays an amount of KD17,521,898 before 31 March 2025, it will qualify for a discount on the remaining balance.

The loan is secured by shares of the Parent Company, shares of associates and investments at FVTOCI.

10 Share capital and share premium

	Authorised	Issued	Paid up
30 September 2024			
Shares of 100 Fils each	480,118,588	480,118,588	480,118,588
31 December 2023			
Shares of 100 Fils each	266,732,550	266,732,550	266,732,550
30 September 2023			
Shares of 100 Fils each	266,732,550	266,732,550	266,732,550

The board of directors of the Parent Company, in their meeting held on 19 March 2024, proposed to increase the Parent Company's share capital from KD26,673,255 comprising of 266,732,550 ordinary shares, to KD42,677,208 comprising of 426,772,080 ordinary shares which was approved by Capital Markets Authority.

The board of directors in their meeting held on 21 April 2024, revised the aforementioned proposal to increase the Parent Company's share capital from KD30,007,412 (inclusive of bonus shares, as referenced in note 14) to KD48,011,859 through issuance of 180,044,470 shares amounting to KD18,004,447 in cash. The newly issued shares bared a nominal value of 100 fils and a premium of 50 fils. The revised proposal was approved by Capital Markets Authority on 30 April 2024.

Notes to the interim condensed consolidated financial information (continued)

10 Share capital and share premium (continued)

Following the shareholders' approval in the extraordinary general assembly (Note 14), the amendment was registered in the commercial register on 19 June 2024. Subsequently, the capital increase was fully subscribed and on 22 August 2024, Kuwait Clearing Company approved the allotment of the new shares.

Share premium is not available for distribution.

11 Treasury shares

	30 Sept. 2024 (Unaudited)	31 Dec. 2023 (Audited)	30 Sept. 2023 (Unaudited)
Number of treasury shares (shares)	19,639,600	17,452,667	17,452,667
Percentage of treasury shares to paid up capital (%)	4.09	6.54	6.54
Cost (KD)	32,758,205	32,757,404	32,757,404
Market Value (KD)	7,816,561	5,357,969	3,787,229

12 Capital commitments and contingent liabilities

(a) The Group has the following commitments:

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Group's share of associates' commitments:			
Estimated and contracted capital expenditure for construction of properties	302,390	1,712	2,604
Finance guarantees	2,720	2,738	2,206
Post-dated cheques issued	-	-	231,697
Group's share of joint venture's commitments:			
Group's share of engineering, procurement and construction agreement of a plant in an underlying project of a joint venture	21,289,206	35,439,997	35,935,489
Group's share of future land lease payments in an underlying project of a joint venture	3,853,333	4,013,333	4,013,333

(b) The Group has the following contingent liabilities:

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Contingent liabilities			
Corporate guarantee of borrowings by a joint venture (note 7.2a)	9,804,594	9,804,594	9,804,594
Group's share of guarantee provided by a joint venture	20,753,048	16,588,065	27,603,633

13 Segmental analysis

The Group's activities are concentrated in nine main segments: treasury and investments, real estate and others. The segments' results are reported to the higher management in the Group. In addition, the segments revenue, assets are reported based on the geographic locations which the Group operates in. The following is the segments information, which conforms with the internal reporting presented to management.

Notes to the interim condensed consolidated financial information (continued)

13 Segmental analysis (continued)

	Treasury and Investments KD	Real Estate KD	Others KD	Total KD
30 September 2024 (Unaudited)				
Segment income	6,999,073	200,000	297,735	7,496,808
Profit/(loss) before taxation	6,516,961	100,000	(605,773)	6,011,188
Finance costs				482,112
Taxation				37,212
Total segmental assets	103,261,385	5,223,287	-	108,484,672
Total segmental liabilities	(15,750,385)	-	-	(15,750,385)
Net segmental assets	87,511,000	5,223,287	-	92,734,287
Unallocated assets				27,256,880
Unallocated liabilities				(17,390,525)
Net assets				102,600,642
30 September 2023 (Unaudited)				
Segment income	8,489,886	8,783	8,928,016	17,426,685
Profit before taxation	7,681,710	8,783	8,283,870	15,974,363
Finance costs				808,177
Taxation				555,466
Total segmental assets	80,595,566	7,861,311	-	88,456,877
Total segmental liabilities	(27,062,650)	-	-	(27,062,650)
Net segmental assets	53,532,916	7,861,311	-	61,394,227
Unallocated assets				22,718,115
Unallocated liabilities				(17,163,696)
Net assets				66,948,646
31 December 2023 (Audited)				
Total segmental assets	80,182,213	5,230,932	-	85,413,145
Total segmental liabilities	(27,087,750)	-	-	(27,087,750)
Net segmental assets	53,094,463	5,230,932	-	58,325,395
Unallocated assets				28,116,344
Unallocated liabilities				(18,073,780)
Net assets				68,367,959

Notes to the interim condensed consolidated financial information (continued)

14 General assembly of shareholders

Annual General Assemblies

- The Annual General Assembly of the shareholders held on 29 May 2024 approved the consolidated financial statements of the Group for the year ended 31 December 2023, the board of directors' proposal to issue 12.5% bonus shares and to increase in cash the Parent Company's capital from KD30,007,412 (after issuing bonus shares) to KD48,011,859.

Further, the shareholders rejected the board of directors' proposal not to distribute remuneration for the board of directors. The shareholders approved by the majority of attendees board of directors' remuneration of KD30,000 for the year ended 31 December 2023 which has been expensed in the interim condensed consolidated statement of profit or loss for the nine months period ended 30 September 2024 under "Other operating expenses and charges".

- The Annual General Assembly of the shareholders of Parent Company held on 30 May 2023 approved the consolidated financial statements of the Group for the year ended 31 December 2022 and the board of directors' proposal not to distribute any dividend for the year ended 31 December 2022.

Further, the shareholders rejected the board of directors' proposal not to distribute remuneration for the board of directors. The shareholders approved by the majority of attendees board of directors' remuneration of KD30,000 for the year ended 31 December 2022 which has been expensed in the interim condensed consolidated statement of profit or loss for the nine months period ended 30 September 2023 under "Other operating expenses and charges".

Extra-ordinary General Assemblies

- The Extra-Ordinary General Assembly of the shareholders held on 29 May 2024 approved to increase the Parent Company's authorised capital from KD26,673,255 to KD48,011,859 and to amend the article 6 of the Parent Company's Memorandum of Incorporation and article 5 of the Parent Company's Article of Association to be as follows "the Company's authorised, issued and paid up share capital amounts to KD48,011,859 distributed on 480,118,588 shares of 100 Fils each and all shares are in cash".

15 Related party balances and transactions

Related parties represent major shareholders, directors, key management personnel of the Group and their close family members, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions between the Parent Company and its subsidiaries which are related parties of the Parent Company have been eliminated on consolidation and are not disclosed in this note.

Notes to the interim condensed consolidated financial information (continued)

15 Related party balances and transactions (continued)

Details of balances and transactions between the Group and other related parties are disclosed below.

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Balances included in the interim condensed consolidated statement of financial position:			
Due from related parties (a):			
- Due from associates	21,550,939	21,404,216	16,835,423
- Due from related parties (included in other assets)	-	12,646	-
- Due from other related parties	1,828,518	3,098,843	2,420,791
	23,379,457	24,515,705	19,256,214
Due to related parties (b and c):			
- Due to other related parties	6,608,112	6,525,903	6,585,885
Receivables and other assets	164,611	164,611	164,611
Borrowings obtained from a related party	8,521,898	20,092,125	20,062,650

	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
Transactions included in interim condensed consolidated statement of profit or loss:				
Dividend income	6,948	-	214,982	413,388
Finance costs	5,188	82,773	167,952	244,532
Key management compensation of the Group				
Board of directors' remuneration – included within operating expenses	-	-	30,000	30,000
Short-term and long-term employee benefits	46,069	35,750	247,611	167,112

- a) Due from related parties are non-interest bearing and have no specific repayment terms.
- b) Due to related parties include balance amounting to KD433,284 (31 December 2023: KD433,284 and 30 September 2023: to KD433,284) which carries interest at 4.75% (31 December 2023: 4.75% and 30 September 2023: 4.75%) per annum and is payable on 30 September 2024. The remaining balances KD6,174,828 (31 December 2023: KD6,092,620 and 30 September 2023: to KD6,152,601) are non-interest bearing and have no specific repayment terms.
- c) The Group has pledged part of its equity interest in First Takaful Insurance Company – KPSC, a subsidiary, against certain due to related parties' balances.

Notes to the interim condensed consolidated financial information (continued)

16 Fair value measurement

16.1 Fair value hierarchy

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.

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

16.2 Fair value measurement of financial instruments

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
Financial assets:			
At amortised cost:			
- Cash and cash equivalents	16,984,629	1,971,627	1,640,952
- Receivables and other assets	3,522,047	3,203,638	3,158,614
- Due from related parties	23,379,457	24,503,059	19,256,214
At fair value:			
- Investments at fair value through profit or loss	287,350	255,959	336,291
- Investments at fair value through other comprehensive income	25,023,515	24,667,584	24,227,175
	69,196,998	54,601,867	48,619,246
Financial liabilities:			
At amortised costs:			
- Payables and other liabilities	10,782,413	11,547,877	10,577,811
- Due to related parties	6,608,112	6,525,903	6,585,885
- Borrowings	15,750,385	27,087,750	27,062,650
	33,140,910	45,161,530	44,226,346

Management considers that the carrying amounts of financial assets and financial liabilities, which are stated at amortised cost, approximate their fair values.

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

Notes to the interim condensed consolidated financial information (continued)

16 Fair value measurement (continued)

16.2 Fair value measurement of financial instruments (continued)

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

	Note	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
30 September 2024 (unaudited)					
Investments at FVTPL					
<i>Investments held for trading:</i>					
Local quoted securities	a	178,812	-	-	178,812
Local unquoted securities	b	-	-	108,538	108,538
Investments at FVTOCI					
Local quoted securities	a	22,114,700	-	-	22,114,700
Foreign quoted securities	a	3,567	-	-	3,567
Managed funds	c	-	3,502	-	3,502
Local unquoted securities	b	-	-	10,502	10,502
Foreign unquoted securities	b	-	-	2,891,244	2,891,244
		22,297,079	3,502	3,010,284	25,310,865
31 December 2023 (audited)					
Investments at FVTPL					
<i>Investments held for trading:</i>					
Local quoted securities	a	155,593	-	-	155,593
Local unquoted securities	b	-	-	100,366	100,366
Investments at FVTOCI					
Local quoted securities	a	21,758,828	-	-	21,758,828
Foreign quoted securities	a	3,590	-	-	3,590
Managed funds	c	-	3,416	-	3,416
Local unquoted securities	b	-	-	10,506	10,506
Foreign unquoted securities	b	-	-	2,891,244	2,891,244
		21,918,011	3,416	3,002,116	24,923,543
30 September 2023 (unaudited)					
Investments at FVTPL					
<i>Investments held for trading:</i>					
Local quoted securities	a	135,682	-	-	135,682
Local unquoted securities	b	-	-	200,609	200,609
Investments at FVTOCI					
Local quoted securities	a	19,285,182	-	-	19,285,182
Foreign quoted securities	a	4,018	-	-	4,018
Managed funds	c	-	-	10,506	10,506
Local unquoted securities	b	-	-	4,923,588	4,923,588
Foreign unquoted securities	b	-	3,881	-	3,881
		19,424,882	3,881	5,134,703	24,563,466

There have been no significant transfers between levels 1 and 2 during the reporting period.

Notes to the interim condensed consolidated financial information (continued)

16 Fair value measurement (continued)

16.2 Fair value measurement of financial instruments (continued)

Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

a) Quoted securities

All the listed equity securities are publicly traded in stock exchanges. Fair values have been determined by reference to their quoted bid prices at the reporting date.

b) Unquoted securities

The interim condensed consolidated financial information includes holdings in unlisted securities which are measured at fair value. Fair value is estimated using a discounted cash flow model or other valuation techniques which include some assumptions that are not supportable by observable market prices or rates.

c) Investment in managed funds

Investment funds managed by other mainly comprise of unquoted units and the fair value of these units has been determined based on net assets values reported by the fund manager as of the reporting date.

Level 3 fair value measurements

The Group's financial assets and liabilities classified in level 3 uses valuation techniques based on significant inputs that are not based on observable market data. 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
Investments at FVTPL			
Opening balance	100,366	911,999	911,999
Reclassified to investment in associate	-	(1,311,106)	(1,311,105)
Gains recognised in:			
- Consolidated statement of profit or loss	8,172	499,473	599,715
Balance at end of the period/year	108,538	100,366	200,609
Investments at FVTOCI			
Opening balance	2,901,750	5,054,208	5,054,208
Disposals	-	(2,310,006)	-
Gains/(losses) recognised in:			
- Consolidated statement of profit or loss and other comprehensive income	(4)	157,548	(120,114)
Balance at end of the period/year	2,901,746	2,901,750	4,934,094

Notes to the interim condensed consolidated financial information (continued)

17 Fiduciary accounts

The Parent Company previously managed portfolios on behalf of others, mutual funds and maintains cash balances and securities in fiduciary accounts, which were not reflected in the interim condensed consolidated statement of financial position. However, as a result of the legal status of the Parent Company changed to a holding company, it is no longer allowed to manage portfolios. The existing portfolio balance is either currently being disposed of or transferred to other entities. Assets under management at 30 September 2024 amounted to KD5,055,711 (31 December 2023: KD3,744,302 and 30 September 2023: to KD2,716,613).

18 Comparative information

Certain other comparative figures have been reclassified to conform to the presentation in the current period, and such reclassification does not affect previously reported net assets, net equity and net results for the period or net decrease in cash and cash equivalents

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