

**Ali Al-Ghanim Sons Automotive Company
K.S.C.P and its Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

30 JUNE 2024



REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALI AL-GHANIM SONS AUTOMOTIVE COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ali Al-Ghanim Sons Automotive Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group as at 30 June 2024, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended and the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-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* (“IAS 34”). 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.

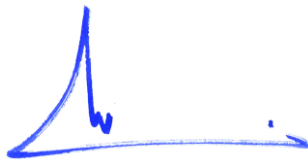
Conclusion

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 IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations 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, during the six-month period ended 30 June 2024, that might have had a material effect on the business of the Parent Company or on its financial position.

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 violations of the provisions of Law No 7 of 2010 concerning establishment of Capital Markets Authority (“CMA”) and organisation of security activity and its executive regulations as amended during the six-month period ended 30 June 2024, that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

6 August 2024
Kuwait

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 June 2024

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2024	2023	2024	2023
		KD	KD	KD	KD
Revenue from contracts with customers	3	64,989,891	63,085,492	127,755,404	125,106,163
Vehicle lease income		1,236,841	1,160,725	2,358,736	2,252,355
Revenue		66,226,732	64,246,217	130,114,140	127,358,518
Cost of sales and services rendered		(49,657,495)	(48,423,950)	(98,385,433)	(96,300,861)
GROSS PROFIT		16,569,237	15,822,267	31,728,707	31,057,657
Other operating income		175,340	271,530	389,015	388,868
Selling and distribution expenses		(4,255,581)	(4,306,693)	(8,742,911)	(8,807,067)
Administrative expenses		(2,945,156)	(3,658,426)	(5,778,148)	(6,960,016)
OPERATING PROFIT		9,543,840	8,128,678	17,596,663	15,679,442
Finance costs		(803,679)	(476,168)	(1,470,464)	(802,450)
Share of results of equity-accounted investees	7	1,342,171	1,729,788	1,873,259	1,496,790
PROFIT BEFORE TAX		10,082,332	9,382,298	17,999,458	16,373,782
Taxation	5	(587,627)	(520,797)	(1,098,204)	(971,638)
PROFIT FOR THE PERIOD		9,494,705	8,861,501	16,901,254	15,402,144
Attributable to:					
Equity holders of the Parent Company		7,941,129	7,424,864	14,257,697	13,415,468
Non-controlling interests		1,553,576	1,436,637	2,643,557	1,986,676
		9,494,705	8,861,501	16,901,254	15,402,144
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY (FILS)	6	28.99	27.09	52.04	48.95

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2024

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2024	2023	2024	2023
	KD	KD	KD	KD
PROFIT FOR THE PERIOD	9,494,705	8,861,501	16,901,254	15,402,144
Other comprehensive (loss) income				
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>				
Cash flow hedges – effective portion of changes in fair value	-	(115,031)	-	498,867
Cost of hedging reserve – changes in fair value	-	(54,172)	-	(118,247)
Cost of hedging reserve – amortised to profit or loss	-	77,938	-	208,343
Net (loss) gain on cash flow hedges	-	(91,265)	-	588,963
Net exchange differences on translation of foreign operations	(278,095)	(494,504)	(6,377,524)	(614,191)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(278,095)	(585,769)	(6,377,524)	(25,228)
<i>Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods:</i>				
Net (loss) gain on equity instruments designated at fair value through other comprehensive income	(115,500)	52,500	(87,500)	49,000
Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods	(115,500)	52,500	(87,500)	49,000
Other comprehensive (loss) income for the period	(393,595)	(533,269)	(6,465,024)	23,772
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,101,110	8,328,232	10,436,230	15,425,916
Attributable to:				
Equity holders of the Parent Company	7,683,991	7,137,807	10,917,618	13,698,251
Non-controlling interests	1,417,119	1,190,425	(481,388)	1,727,665
	9,101,110	8,328,232	10,436,230	15,425,916

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2024

		<i>(Audited)</i>	
	<i>Notes</i>	<i>30 June 2024 KD</i>	<i>31 December 2023 KD</i>
		<i>30 June 2023 KD</i>	
ASSETS			
Non-current assets			
Property, plant, and equipment		113,487,915	109,949,266
Intangible assets		82,593	75,989
Medium-term receivables		504,788	972,529
Investment in equity-accounted investees	7	12,351,168	12,262,937
Financial assets at fair value through other comprehensive income		521,500	609,000
		<u>126,947,964</u>	<u>123,869,721</u>
			<u>112,231,954</u>
Current assets			
Inventories		71,097,637	63,292,109
Accounts receivable and prepayments		13,964,824	8,851,965
Receivables from related parties	12	6,579,771	6,688,528
Cash and cash equivalents	8	17,987,004	20,480,145
		<u>109,629,236</u>	<u>99,312,747</u>
			<u>95,090,461</u>
TOTAL ASSETS		<u>236,577,200</u>	<u>223,182,468</u>
			<u>207,322,415</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		27,750,000	27,750,000
Statutory reserve		7,676,188	7,676,188
Treasury shares	9	(3,071,764)	(3,011,204)
Treasury shares reserve		5,139	5,139
Asset revaluation surplus		31,508,181	31,508,181
Cash flow hedge reserve		-	134,121
Cost of hedging reserve		-	(20,515)
Fair value reserve		46,783	134,283
Foreign currency translation reserve	17	(4,412,573)	(1,159,994)
Other reserves		1,196,343	1,196,343
Retained earnings		23,100,348	18,432,439
		<u>83,798,645</u>	<u>82,531,375</u>
Equity attributable to equity holders of the Parent Company		<u>83,798,645</u>	<u>82,531,375</u>
Non-controlling interests		8,312,259	9,897,447
		<u>92,110,904</u>	<u>92,428,822</u>
			<u>85,227,057</u>
Non-current liabilities			
Islamic finance payables	10	37,340,438	29,048,163
Employees' end of service benefits		6,129,445	5,845,787
Accounts payable and accruals	11	14,654,364	16,383,512
		<u>58,124,247</u>	<u>51,277,462</u>
			<u>38,197,937</u>
Current liabilities			
Islamic finance payables	10	15,180,140	4,459,073
Accounts payable and accruals	11	59,348,972	65,336,472
Payables to related parties	12	11,812,937	9,680,639
		<u>86,342,049</u>	<u>79,476,184</u>
			<u>83,897,421</u>
TOTAL LIABILITIES		<u>144,466,296</u>	<u>130,753,646</u>
			<u>122,095,358</u>
TOTAL EQUITY AND LIABILITIES		<u>236,577,200</u>	<u>223,182,468</u>
			<u>207,322,415</u>

Eng. Fahad Ali Mohammed Thunayan Al-Ghanim
Chairman

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2024

	Attributable to equity holders of the Parent Company											Non-controlling interests KD	Total equity KD	
	Share capital KD	Statutory reserve KD	Treasury shares KD	Treasury shares reserve KD	Asset revaluation surplus KD	Cash flow hedge reserve KD	Cost of hedging reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Other reserves KD	Retained earnings KD			Sub-total KD
As at 1 January 2024 <i>(Audited)</i>	27,750,000	7,676,188	(3,011,204)	5,139	31,508,181	-	-	134,283	(1,159,994)	1,196,343	18,432,439	82,531,375	9,897,447	92,428,822
Profit for the period	-	-	-	-	-	-	-	-	-	-	14,257,697	14,257,697	2,643,557	16,901,254
Other comprehensive loss for the period	-	-	-	-	-	-	-	(87,500)	(3,252,579)	-	-	(3,340,079)	(3,124,945)	(6,465,024)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	-	(87,500)	(3,252,579)	-	14,257,697	10,917,618	(481,388)	10,436,230
Net purchase of treasury shares	-	-	(60,560)	-	-	-	-	-	-	-	-	(60,560)	-	(60,560)
Dividends to equity holders of the Parent Company (Note 13)	-	-	-	-	-	-	-	-	-	-	(9,589,788)	(9,589,788)	-	(9,589,788)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,103,800)	(1,103,800)
At 30 June 2024	27,750,000	7,676,188	(3,071,764)	5,139	31,508,181	-	-	46,783	(4,412,573)	1,196,343	23,100,348	83,798,645	8,312,259	92,110,904

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 30 June 2024

	Attributable to equity holders of the Parent Company											Non-controlling interests KD	Total equity KD	
	Share capital KD	Statutory reserve KD	Treasury shares KD	Treasury shares reserve KD	Asset revaluation surplus KD	Cash flow hedge reserve KD	Cost of hedging reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Other reserves KD	Retained earnings KD			Sub-total KD
As at 1 January 2023 (Audited)	27,750,000	4,676,367	(2,954,654)	5,139	31,508,181	(591,721)	(110,857)	(9,217)	(365,807)	1,196,343	11,860,187	72,963,961	6,702,293	79,666,254
Profit for the period	-	-	-	-	-	-	-	-	-	-	13,415,468	13,415,468	1,986,676	15,402,144
Other comprehensive income (loss) for the period	-	-	-	-	-	489,298	90,342	49,000	(345,857)	-	-	282,783	(259,011)	23,772
Total comprehensive income (loss) for the period	-	-	-	-	-	489,298	90,342	49,000	(345,857)	-	13,415,468	13,698,251	1,727,665	15,425,916
Transfer of cash flow hedge reserve to inventories	-	-	-	-	-	236,544	-	-	-	-	-	236,544	(3,753)	232,791
Dividends to equity holders of the Parent Company (Note 13)	-	-	-	-	-	-	-	-	-	-	(9,317,664)	(9,317,664)	-	(9,317,664)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(780,240)	(780,240)
At 30 June 2023	<u>27,750,000</u>	<u>4,676,367</u>	<u>(2,954,654)</u>	<u>5,139</u>	<u>31,508,181</u>	<u>134,121</u>	<u>(20,515)</u>	<u>39,783</u>	<u>(711,664)</u>	<u>1,196,343</u>	<u>15,957,991</u>	<u>77,581,092</u>	<u>7,645,965</u>	<u>85,227,057</u>

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)**

For the period ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 KD	2023 KD
OPERATING ACTIVITIES			
Profit before tax		17,999,458	16,373,782
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Gain on disposal of property, plant and equipment		(19,233)	(628)
Gain on de-recognition and re-measurement of leases		(10,075)	(842)
Depreciation of property, plant and equipment and right of use assets	4	3,063,001	3,809,205
Amortisation of intangible assets		12,780	155,975
Share of results of equity-accounted investees	7	(1,873,259)	(1,496,790)
Charge of provision for old and obsolete inventories	4	82,499	488,721
Allowance for provision for expected credit losses on trade receivables	4	247,603	345,908
Provision for employees' end of service benefits		463,655	328,281
Dividend Income		(26,250)	(26,250)
Finance costs on Islamic finance payables		1,333,117	698,258
Interest expense on lease liabilities		137,347	104,192
		21,410,643	20,779,812
<i>Working capital adjustments:</i>			
Inventories		(6,765,341)	(8,184,484)
Medium term receivables		467,741	168,751
Accounts receivable and prepayments		(5,350,618)	47,246
Receivables from related parties		108,757	(269,931)
Payables to related parties		(118,989)	(47,860)
Accounts payable and accruals		(6,372,877)	717,188
Cash flows from operations		3,379,316	13,210,722
Employees' end of service benefits paid		(179,997)	(59,455)
Taxes paid		(1,401,173)	(775,795)
Net cash flows from operating activities		1,798,146	12,375,472
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(8,046,266)	(4,375,294)
Proceeds from disposal of property, plant and equipment		128,952	205,472
Purchase of intangible assets		(19,384)	(13,682)
Net movement in term deposits		-	1,000,000
Net payments made to investment in equity accounted investee	7	(4,605,375)	(4,605,000)
Dividend income		26,250	26,250
Net movement in receivables from related parties		-	(3,238,812)
Net cash flows used in investing activities		(12,515,823)	(11,001,066)
FINANCING ACTIVITIES			
Proceeds from Islamic finance payables		23,332,776	10,480,000
Repayment of Islamic finance payables		(6,786,657)	(2,588,190)
Dividends paid to non-controlling interests		(861,190)	(780,240)
Net movement in payables to related parties		2,251,287	4,279,464
Dividends paid to equity holders of the Parent Company		(9,581,000)	(9,346,730)
Purchase of treasury shares		(60,560)	-
Finance costs paid on Islamic finance payables		(1,333,117)	(698,258)
Payment of lease liabilities		(1,217,154)	(1,263,207)
Net cash flows from financing activities		5,744,385	82,839
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(4,973,292)	1,457,245
Cash and cash equivalents at 1 January		20,480,145	14,908,263
Net foreign exchange difference		12,928	105,794
CASH AND CASH EQUIVALENTS AT 30 JUNE	8	15,519,781	16,471,302

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED) (CONTINUED)

For the period ended 30 June 2024

Non-cash items excluded from the interim condensed consolidated statement of cash flows:

		<i>Six months ended</i>	
		<i>30 June</i>	
		2024	2023
		KD	KD
Effective portion of gain on hedging instruments (adjusted with accounts receivable and prepayments)	16	-	132,861
Additions to lease liabilities (adjusted with accounts payable and accruals)		330,668	1,873,680
Additions to right-of-use assets (adjusted with property, plant and equipment)		(330,668)	(1,873,680)
Dividends payable to non-controlling interests (adjusted with accounts payable and accruals)		(242,610)	-
De-recognition and re-measurement of right-of-use assets (adjusted property, plant and equipment)		532,692	216,618
De-recognition and re-measurement of lease liabilities (adjusted with accounts payable and accruals)		(542,767)	(217,460)
Transfer of property, plant and equipment from (to) inventories (net) - (adjusted with property, plant and equipment)		1,122,574	1,350,688
Transfer of property, plant and equipment (from) to inventories (net) - (adjusted with inventories)		(1,122,574)	(1,350,688)

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Ali Al-Ghanim Sons Automotive Company K.S.C.P. (the “Parent Company”) and its Subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 was authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 6 August 2024.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 28 March 2024 approved the consolidated financial statements for the year ended 31 December 2023. Dividends proposed and payable by the Group for the year then ended are provided in Note 13.

The Parent Company was a closed Kuwaiti shareholding Company registered and incorporated in the State of Kuwait on 24 July 2018. The Parent Company’s shares were listed in the Premier Market of Boursa Kuwait on 7 June 2022, therefore the name of the Parent Company was changed to Ali Al-Ghanim Sons Automotive Company K.S.C.P. The changes in the articles and memorandum of association were authenticated in the commercial register on 25 July 2022 under registration number 399347.

The Parent Company is a subsidiary of Ali Alghanim Sons Holding Company K.S.C. (Closed) (the “Ultimate Parent Company”).

The registered postal address of the Parent Company is P.O. Box 21540, Safat 13076, Kuwait City.

The Parent Company’s primary objectives are as follows:

- ▶ Selling and purchasing cars and its spare parts.
- ▶ Renting cars
- ▶ Importing and exporting light and heavy vehicles and cars.
- ▶ Maintaining and renting light and heavy vehicles and cars.
- ▶ Trading of auto spare parts, renting equipment and their maintenance.
- ▶ The Parent Company may have interest or participate, in any respect, with entities which embark on businesses similar to its businesses and which may help it to achieve its objects in Kuwait or abroad; and it shall have the right to purchase these entities.
- ▶ Possessing movables and real estate necessary for undertaking its activity within the limitation allowed by the law.
- ▶ Utilising the financial surpluses available with the Parent Company by means of investing them in financial portfolios to be managed by specialised companies and authorities.
- ▶ Selling and purchasing the shares and bonds only for its account.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34: “*Interim Financial Reporting*” (“IAS 34”). The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. Management consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the date of the approval of the interim condensed consolidated financial information for the six months ended 30 June 2024.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with the International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.1 Basis of preparation (continued)

Certain prior period amounts have been reclassified and regrouped to conform to the current period presentation. There is no effect of these reclassifications and regroupings on the previously reported equity as at 31 December 2023 and 30 June 2023 and profit for the periods then ended. Such reclassifications have been made to improve the quality of information presented.

2.2 New standards, interpretations, and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of consolidated financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial information.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Type of goods or service:				
Sales of vehicles and spare parts	61,449,424	59,906,033	120,864,882	118,692,854
Vehicle inspection, repair and maintenance services	3,069,877	2,742,400	5,987,672	5,557,157
Insurance brokerage income	470,590	437,059	902,850	856,152
Total revenue from contracts with customers	64,989,891	63,085,492	127,755,404	125,106,163
Geographical markets:				
Kuwait	58,367,814	58,743,445	116,169,450	116,427,939
Iraq	6,622,077	4,342,047	11,585,954	8,678,224
Total revenue from contracts with customers	64,989,891	63,085,492	127,755,404	125,106,163
Timing of revenue recognition:				
Goods transferred at a point in time	60,923,927	59,513,000	119,899,041	117,937,610
Goods transferred over a period of time	525,497	393,033	965,841	755,244
Services rendered at a point in time	3,236,612	2,913,158	6,245,157	5,857,589
Services rendered over a period of time	303,855	266,301	645,365	555,720
Total revenue from contracts with customers	64,989,891	63,085,492	127,755,404	125,106,163

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4 PROFIT FOR THE PERIOD

The profit for the period is stated after charging:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Staff costs included in:				
Cost of sales and services rendered	1,367,059	1,212,727	2,735,183	2,195,241
Selling and distribution expenses	737,906	594,363	1,491,604	1,332,157
Administrative expenses	1,709,086	2,099,015	3,511,715	3,748,777
	3,814,051	3,906,105	7,738,502	7,276,175
Expense relating to short term leases included in:				
Cost of sales and services rendered	21,567	6,375	41,205	10,875
Selling and distribution expenses	-	1,200	-	2,400
Administrative expenses	10,677	9,603	22,062	16,190
	32,244	17,178	63,267	29,465
Costs of inventories recognised as an expense (included in cost of sales and services rendered)	47,021,743	45,916,934	92,224,883	90,281,974
Rental vehicle fleet insurance charges (included in cost of sales and services rendered)	158,164	67,957	282,725	122,240
(Reversal) charge of provision for obsolete and slow-moving inventories included in:				
Cost of sales and services rendered	(31,945)	183,905	82,499	488,721
Allowance for ECL on trade receivables and instalment credit receivables included in:				
Selling and distribution expenses	6,282	6,440	11,567	12,887
Administrative expenses	132,033	364,688	236,036	333,021
	138,315	371,128	247,603	345,908
Depreciation expense recognised included in:				
Cost of sales and services rendered	336,644	527,724	1,038,519	1,181,569
Selling and distribution expenses	843,046	1,098,330	1,658,815	1,872,083
Administrative expenses	164,267	404,299	365,667	755,553
	1,343,957	2,030,353	3,063,001	3,809,205

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As at and for the period ended 30 June 2024

5 TAXATION

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2024	2023	2024	2023
	KD	<i>KD</i>	KD	<i>KD</i>
Taxation on foreign operations	208,669	135,344	403,349	289,387
National Labour Support Tax (“NLST”)	208,690	216,819	384,997	384,828
Zakat	85,389	86,727	157,253	153,931
Contribution to Kuwait Foundation for the Advances of Sciences (“KFAS”)	84,879	81,907	152,605	143,492
	587,627	520,797	1,098,204	971,638

Pillar 2 Income Taxes

In 2021, OECD’s Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) had agreed to a two-pillar solution in order to address tax challenges arising from digitalization of the economy. Under Pillar 2, multinational entities whose revenue exceed EUR 750 million are liable to pay corporate income tax at a minimum effective tax rate of 15%.

The jurisdictions in which the Group operates including the State of Kuwait have joined the IF. The Group expects to be liable for the Global Minimum Tax under Pillar 2 of the BEPS regulations starting from the year 2025.

The Group is currently assessing its exposure to the additional income taxes under Pillar 2 regulations. The assessment indicates that a substantial portion of Group’s earnings, primarily from Kuwait, Iraq and UAE will be subject to additional income taxes under Pillar 2 regulations. A reasonable estimate of the additional tax cannot be provided at this stage, as the relevant tax legislation is yet to be introduced in Kuwait and some other jurisdictions.

6 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted EPS are identical.

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2024	2023	2024	2023
Profit for the period attributable to equity holders of the Parent Company (KD)	7,941,129	7,424,864	14,257,697	13,415,468
Weighted average number of shares outstanding during the period (shares)*	273,985,169	274,048,954	273,985,169	274,048,954
Basic and diluted EPS attributable to equity holders of the Parent Company (Fils)	28.99	27.09	52.04	48.95

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

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6 BASIC AND DILUTED EARNINGS PER SHARE (EPS) (continued)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the authorisation date of this interim condensed consolidated financial information.

7 INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

	<i>30 June</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>30 June</i> <i>2023</i> <i>KD</i>
As at 1 January	12,262,937	3,065,573	3,065,573
Additions	4,605,375	8,356,256	4,605,000
Share of profit for the period	1,873,259	3,510,835	1,496,790
Other movements	-	(944,194)	-
Exchange differences	(6,390,403)	(1,725,533)	(723,138)
Total equity accounted investments	12,351,168	12,262,937	8,444,225

Global Auto S.A.E

At 31 December 2023, the Group capitalised a convertible loan amounting to KD 3,751,256 advanced to Global Auto SAE which was previously included within receivables from related parties. This transaction does not involve any cash out flows at the date of conversion.

Auto Mobility For Import Cars LLC

The Group acquired 50% equity interest in Auto Mobility for Import Cars LLC, a joint venture in which the Group has joint control by contributing an amount of KD 4,605,000 (USD 15 million) towards the capital of the investee during the period ended 30 June 2023. The joint venture is not publicly listed and is the official dealership of a renowned automobile brand in the Arab Republic of Egypt.

The Group made an additional contribution of KD 4,605,375 (USD 15 million) towards the capital of the investee during the current period ended 30 June 2024.

8 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	<i>30 June</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>30 June</i> <i>2023</i> <i>KD</i>
Cash at banks and on hand	16,069,664	17,297,262	15,227,682
Cash held in managed portfolios	1,917,340	1,682,883	1,243,620
Short-term deposits	-	1,500,000	-
Cash and short-term deposits	17,987,004	20,480,145	16,471,302
Less: Bank overdrafts	(2,467,223)	-	-
Cash and cash equivalents	15,519,781	20,480,145	16,471,302

Term deposits are subject to an insignificant risk of changes in value. These are placed with local Islamic financial institutions and earn yields at the respective short-term deposit rates.

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9 TREASURY SHARES

	30 June 2024	<i>(Audited)</i> 31 December 2023	30 June 2023
Number of treasury shares	3,566,046	3,506,046	3,451,046
Percentage of total outstanding shares	1.29%	1.26%	1.24%
Cost (KD)	3,071,764	3,011,204	2,954,654
Market value (KD)	3,605,273	3,702,385	3,440,693
Market value per share (Fils)	1,011	1,056	997

An amount equivalent to the cost of purchase of treasury shares held is not available for distribution during the holding period of such shares as per CMA guidelines.

10 ISLAMIC FINANCE PAYABLES

	30 June 2024 KD	<i>(Audited)</i> 31 December 2023 KD	30 June 2023 KD
Islamic finance payables	52,520,578	33,507,236	24,496,129
Non-current	37,340,438	29,048,163	19,474,459
Current	15,180,140	4,459,073	5,021,670
	52,520,578	33,507,236	24,496,129

Islamic finance payables include tawarruq facilities amounting to KD 21,115,893 (31 December 2023: KD 17,412,093; 30 June 2023: KD 17,430,407) which bear finance costs at commercial rates and are secured by a corporate guarantee provided by certain group entities (Note 12). The remaining Islamic finance payables are unsecured and bear finance costs at commercial rates.

11 ACCOUNTS PAYABLE AND ACCRUALS

	30 June 2024		
	<i>Non-current KD</i>	<i>Current KD</i>	<i>Total KD</i>
Trade payables	-	26,007,407	26,007,407
Advances from customers	-	10,782,506	10,782,506
Contract liabilities*	10,405,142	4,603,138	15,008,280
Lease liabilities	3,934,222	2,002,507	5,936,729
Accrued expenses and provisions	-	11,587,261	11,587,261
Dividend payable	-	303,947	303,947
Other payables	315,000	4,062,206	4,377,206
	14,654,364	59,348,972	74,003,336

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11 ACCOUNTS PAYABLE AND ACCRUALS (continued)

	<i>31 December 2023 (Audited)</i>		
	<i>Non-current KD</i>	<i>Current KD</i>	<i>Total KD</i>
Trade payables	-	30,602,018	30,602,018
Advances from customers	-	14,100,419	14,100,419
Contract liabilities*	9,287,115	4,146,019	13,433,134
Lease liabilities	5,052,960	2,175,846	7,228,806
Accrued expenses and provisions	-	12,474,484	12,474,484
Dividend payable	-	52,549	52,549
Other payables	2,043,437	1,785,137	3,828,574
	<u>16,383,512</u>	<u>65,336,472</u>	<u>81,719,984</u>
	<i>30 June 2023</i>		
	<i>Non-current KD</i>	<i>Current KD</i>	<i>Total KD</i>
Trade payables	-	42,244,492	42,244,492
Advances from customers	-	10,459,428	10,459,428
Contract liabilities*	8,712,045	3,749,297	12,461,342
Lease liabilities	4,085,309	1,750,401	5,835,710
Accrued expenses and provisions	138,800	9,518,044	9,656,844
Dividend payable	-	48,329	48,329
Other payables	66,862	2,564,576	2,631,438
	<u>13,003,016</u>	<u>70,334,567</u>	<u>83,337,583</u>

* Contract liabilities represent unsatisfied performance obligations as at the reporting date towards vehicle maintenance contracts and extended warranties.

12 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, associates, joint venture, directors and key management personnel of the Group, 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.

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended 30 June 2024 and 2023, as well as balances with related parties as at 30 June 2024, 31 December 2023 and 30 June 2023:

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12 RELATED PARTY DISCLOSURES (continued)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Interim condensed consolidated statement of profit or loss				
<i>Entities under common control</i>				
Sale of goods	969	102,304	77,179	336,228
Rendering of services	377	4,481	1,198	8,109
Vehicle rental income	10,108	-	15,058	-
Administrative expenses	(11,600)	(5,795)	(13,856)	(17,959)
<i>Associate of the Ultimate Parent Company</i>				
Sale of goods	191,248	153,449	448,720	328,066
Rendering of services	9,335	4,004	16,275	7,652
		<i>30 June</i>	<i>(Audited)</i>	<i>30 June</i>
		<i>2024</i>	<i>31 December</i>	<i>2023</i>
		<i>KD</i>	<i>2023</i>	<i>2023</i>
			<i>KD</i>	<i>KD</i>
Consolidated statement of financial position				
Investment in a quoted equity security*		521,500	609,000	514,500
Trade receivables*		925,187	944,684	279,695
Receivables from related parties:				
- Entities under common control / ownership		43,680	224,208	203,114
- Equity-accounted investees**		6,450,692	6,452,746	7,139,430
- Other related parties		85,399	11,574	12,569
		6,579,771	6,688,528	7,355,113

* Associate of the Ultimate Parent Company and an entity with common board directorship.

** The balance includes an amount of KD 6,246,975 (31 December 2023: KD 6,297,566; 30 June 2023: KD 3,223,500) advanced to Global Auto S.A.E. to finance the working capital and other requirements. The amount is not unsecured, interest free and subject to call after the respective termination dates as per the loan agreement at the discretion of the Group.

	<i>(Audited)</i>	
	<i>30 June</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
<i>Payables to related parties:</i>		
Key management personnel	1,419	108,717
Entities under common control/ownership	1,126	12,598
Other related parties***	11,810,392	9,559,324
	11,812,937	9,680,639
		<i>30 June</i>
		<i>2023</i>
		<i>KD</i>

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12 RELATED PARTY DISCLOSURES (continued)

*** As at the period end this balance includes an amount payable to the non-controlling investor of German Automotive Holding Limited amounting to KD 11,327,582 (31 December 2023: KD 9,076,295; 30 June 2023: KD 8,050,627).

Terms and conditions of transactions with related parties

Transactions with related parties are made on terms approved by the Group's management. All balances at the period-end are unsecured, interest free and have no fixed repayment schedule. For the period ended 30 June 2024, the Group has not recognised any provision for expected credit losses relating to amounts owed by related parties (31 December 2023: Nil; 30 June 2023: Nil).

Other related party disclosures

- ▶ Islamic finance payables include tawarruq facilities amounting to KD 21,115,893 (31 December 2023: KD 17,412,093; 30 June 2023: KD 17,430,407) secured by a corporate guarantee provided by certain Group entities (Note 10).
- ▶ As at 30 June 2024, the Group provided a corporate guarantee of KD 6,774,636 (31 December 2023: KD 7,018,824; 30 June 2023: KD 6,896,016) in the ordinary course of business to be utilised by a related party (Note 14).

Compensation of key management personnel

Key management personnel comprise of the personnel having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Transaction values for three months period ended</i>		<i>Transaction values for six months period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>	<i>30 June 2024</i>	<i>30 June 2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and short-term benefits	72,183	105,375	173,542	226,093
End of service benefits	6,297	8,061	23,516	17,241
	78,480	113,436	197,058	243,334
			<i>Balance outstanding as at</i>	
			<i>30 June 2024</i>	<i>31 December 2023</i>
			<i>KD</i>	<i>KD</i>
				<i>(Audited)</i>
Salaries and short-term benefits		161,776	1,121,042	185,897
End of service benefits		495,771	472,255	456,712
Directors' remuneration		-	85,000	-
		657,547	1,678,297	642,609

The Board of Directors of the Parent Company at the meeting held on 20 February 2024 proposed directors' remuneration of KD 85,000 for the year ended 31 December 2023. This proposal was approved by the shareholders at the AGM held on 28 March 2024 and paid during the current period.

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13 DIVIDENDS MADE AND PROPOSED

The Board of Directors of the Parent Company in their meeting held on 6 August 2024 proposed a distribution of an interim cash dividend of 35 fils per share aggregating to KD 9,587,688 (30 June 2023: 35 fils per share aggregating to KD 9,591,713) for the six months period ended 30 June 2024.

The Board of Directors of the Parent Company in their meeting held on 20 February 2024 proposed a distribution of a cash dividend of 35 fils per share aggregating to KD 9,589,788 for the year ended 31 December 2023 (2022: 34 fils per share aggregating to KD 9,317,664). The proposed dividends for the year then ended were approved for payment by the shareholders at AGM held on 28 March 2024.

Dividends payable to equity holders of the Parent Company as at 30 June 2024 amounted to KD 61,337 (31 December 2023: KD 52,549 and 30 June 2023: KD 48,329) and recorded within "accounts payable and accruals" in the interim condensed consolidated statement of financial position.

14 CONTINGENCIES

14.1 Legal claim contingencies

The Group operates in the automotive industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

14.2 Other contingencies

The Group had contingent liabilities in respect of bank guarantees and letters of credit arising in the ordinary course of business amounting to KD 15,610,488 (31 December 2023: KD 19,205,172; 30 June 2023: KD 22,438,941), out of which KD 6,774,636 (31 December 2023: KD 7,018,824; 30 June 2023: KD 6,896,016) is utilised by a related party, from which it is anticipated that no material liability will arise (Note 12).

15 SEGMENT INFORMATION

For management purposes, the Group is divided into three main geographical segments that are: a) State of Kuwait, b) Iraq and c) United Arab Emirates where the Group performs its main activities in the sales of vehicles, spare parts and rendering of services related to vehicle inspection, repair and maintenance services.

a) Segment revenue and results

The following tables present revenue and results information of the Group's operating segments for the six-month ended 30 June 2024 and 2023, respectively:

	<i>Revenue</i>		<i>Results</i>	
	<i>Six months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Kuwait	128,729,252	122,470,974	24,240,154	23,743,164
Iraq	11,585,954	8,678,224	2,274,148	1,607,483
United Arab Emirates	-	-	1,871,941	1,709,333
Adjustments and eliminations	(10,201,066)	(3,790,680)	(11,484,989)	(11,657,836)
	130,114,140	127,358,518	16,901,254	15,402,144

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15 SEGMENT INFORMATION (continued)

b) Segment assets and liabilities

The following tables present assets and liabilities information for the Group's operating segments as at 30 June 2024, 31 December 2023 and 30 June 2023, respectively:

	30 June 2024 KD	<i>(Audited)</i> 31 December 2023 KD	30 June 2023 KD
Segment assets			
Kuwait	247,262,007	236,747,456	222,034,471
Iraq	19,083,795	13,897,389	10,500,662
United Arab Emirates	19,161,959	19,089,109	12,391,860
Adjustments and eliminations	(48,930,561)	(46,551,486)	(37,604,578)
Total consolidated segment assets	236,577,200	223,182,468	207,322,415
Segment liabilities			
Kuwait	135,772,979	125,146,601	110,932,227
Iraq	8,265,170	4,587,596	3,824,213
United Arab Emirates	11,330,391	9,084,962	8,056,031
Adjustments and eliminations	(10,902,244)	(8,065,513)	(717,113)
Total consolidated segment liabilities	144,466,296	130,753,646	122,095,358

c) Other profit and loss disclosures

	<i>Share of profit (loss) of equity accounted investees</i>		<i>Cost of inventories recognised as an expense</i>	
	<i>Six months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2024 KD	2023 KD	2024 KD	2023 KD
Kuwait	-	(172,527)	84,270,624	84,858,184
Iraq	-	-	7,954,259	5,423,790
United Arab Emirates*	1,873,259	1,669,317	-	-
	1,873,259	1,496,790	92,224,883	90,281,974

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15 SEGMENT INFORMATION (continued)

d) Other disclosures

	<i>30 June 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>30 June 2023 KD</i>
<i>Investment in equity accounted investees</i>			
United Arab Emirates	12,351,168	12,262,937	8,444,225
	12,351,168	12,262,937	8,444,225
 <i>Capital expenditure**</i>			
Kuwait	8,031,080	11,396,741	4,271,819
Iraq	34,570	66,833	117,157
	8,065,650	11,463,574	4,388,976

* In presenting the geographic information, the segment has been based on the country of domicile of the legal entity; geographical location of customers and assets is based in Egypt.

** These represent addition to non-current assets other than financial instruments.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement using		
	<i>Quoted market prices (Level 1) KD</i>	<i>Significant observable inputs (Level 2) KD</i>	<i>Total KD</i>
30 June 2024			
Financial instruments measured at fair value:			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	521,500	-	521,500
 <i>31 December 2023 (Audited)</i>			
Financial instruments measured at fair value:			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	609,000	-	609,000
 <i>30 June 2023</i>			
Financial instruments measured at fair value:			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	514,500	-	514,500
 <i>Derivative financial assets</i>			
Foreign exchange forward contracts	-	132,861	132,861

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

16 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

During the period, there were no transfers between the levels of fair value hierarchy.

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

For other financial assets and financial liabilities carried at amortised cost, the carrying value is not significantly different from their fair value as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

17 FOREIGN CURRENCY TRANSLATION RESERVE

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the profit or loss when the net investment is disposed of.

The effects of changes in foreign currency exchange rates during the period as a result of the devaluation of Egyptian Pound (EGP) amounted to KD 3,259,106.

The effect of changes in EGP foreign exchange rate subsequent to period end is immaterial.

The Group does not have a foreign currency hedging policy for EGP.

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