

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

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

**31 MARCH 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 31 March 2024, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three 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.

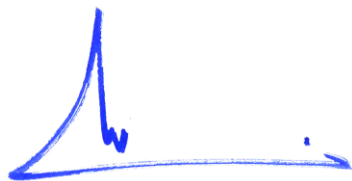
### ***Conclusion***

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 three-month period ended 31 March 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 three-month period ended 31 March 2024, that might have had a material effect on the business of the Parent Company or on its financial position.



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

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 31 March 2024

	Notes	Three months ended	
		31 March	
		2024	2023
		KD	KD
Revenue from contracts with customers	3	63,105,131	62,020,671
Vehicle lease income		1,121,895	1,091,630
<b>Revenue</b>		<b>64,227,026</b>	63,112,301
Cost of sales and services rendered		(48,727,938)	(47,876,911)
<b>GROSS PROFIT</b>		<b>15,499,088</b>	15,235,390
Other operating income		213,675	117,338
Selling and distribution expenses		(4,826,948)	(4,500,374)
Administrative expenses		(2,832,992)	(3,301,590)
<b>Operating profit</b>		<b>8,052,823</b>	7,550,764
Finance costs		(666,785)	(326,282)
Share of results of equity-accounted investees	7	531,088	(232,998)
<b>PROFIT BEFORE TAX</b>		<b>7,917,126</b>	6,991,484
Taxation	5	(510,577)	(450,841)
<b>PROFIT FOR THE PERIOD</b>		<b>7,406,549</b>	6,540,643
<b>Attributable to:</b>			
Equity holders of the Parent Company		6,316,568	5,990,604
Non-controlling interests		1,089,981	550,039
		<b>7,406,549</b>	6,540,643
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY (FILS)</b>	6	<b>23.05</b>	21.86

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 31 March 2024

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2024</b>	2023
	<b>KD</b>	KD
<b>PROFIT FOR THE PERIOD</b>	<b>7,406,549</b>	6,540,643
<b>Other comprehensive (loss) income</b>		
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>		
Cash flow hedges – effective portion of changes in fair value	-	613,898
Cost of hedging reserve – changes in fair value	-	(64,075)
Cost of hedging reserve – amortised to profit or loss	-	130,405
Net gain on cash flow hedges	-	680,228
Net exchange differences on translation of foreign operations	<b>(6,099,429)</b>	(119,687)
<b>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods</b>	<b>(6,099,429)</b>	560,541
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Net gain (loss) on equity instruments designated at fair value through other comprehensive income	<b>28,000</b>	(3,500)
<b>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods</b>	<b>28,000</b>	(3,500)
<b>Other comprehensive (loss) income for the period</b>	<b>(6,071,429)</b>	557,041
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,335,120</b>	7,097,684
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>3,233,627</b>	6,560,444
Non-controlling interests	<b>(1,898,507)</b>	537,240
	<b>1,335,120</b>	7,097,684

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 31 March 2024

		<i>(Audited)</i>	
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	110,638,532	109,949,266	102,360,119
Intangible assets	79,125	75,989	205,902
Medium-term receivables	824,421	972,529	649,780
Investment in equity-accounted investees	7 11,307,654	12,262,937	2,721,472
Financial assets at fair value through other comprehensive income	637,000	609,000	462,000
	<u>123,486,732</u>	<u>123,869,721</u>	<u>106,399,273</u>
<b>Current assets</b>			
Inventories	74,174,699	63,292,109	48,879,504
Accounts receivable and prepayments	10,547,886	8,851,965	8,519,102
Receivables from related parties	12 6,606,174	6,688,528	7,314,930
Cash and short-term deposits	8 19,600,762	20,480,145	23,698,816
	<u>110,929,521</u>	<u>99,312,747</u>	<u>88,412,352</u>
<b>TOTAL ASSETS</b>	<u><u>234,416,253</u></u>	<u><u>223,182,468</u></u>	<u><u>194,811,625</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	27,750,000	27,750,000	27,750,000
Statutory reserve	7,676,188	7,676,188	4,676,367
Treasury shares	9 (3,011,204)	(3,011,204)	(2,954,654)
Treasury shares reserve	5,139	5,139	5,139
Asset revaluation surplus	31,508,181	31,508,181	31,508,181
Cash flow hedge reserve	-	-	463,209
Cost of hedging reserve	-	-	(42,386)
Fair value reserve	162,283	134,283	(12,717)
Foreign currency translation reserve	17 (4,270,935)	(1,159,994)	(427,652)
Other reserves	1,196,343	1,196,343	1,196,343
Retained earnings	15,159,219	18,432,439	8,533,127
<b>Equity attributable to equity holders of the Parent Company</b>	<u>76,175,214</u>	<u>82,531,375</u>	<u>70,694,957</u>
Non-controlling interests	6,895,140	9,897,447	6,449,133
<b>Total equity</b>	<u><u>83,070,354</u></u>	<u><u>92,428,822</u></u>	<u><u>77,144,090</u></u>
<b>Non-current liabilities</b>			
Islamic finance payables	10 28,544,298	29,048,163	15,651,657
Employees' end of service benefits	6,006,416	5,845,787	5,606,983
Accounts payable and accruals	11 14,598,426	16,383,512	12,502,927
	<u>49,149,140</u>	<u>51,277,462</u>	<u>33,761,567</u>
<b>Current liabilities</b>			
Islamic finance payables	10 1,337,778	4,459,073	2,822,989
Accounts payable and accruals	11 88,902,001	65,336,472	75,221,369
Payables to related parties	12 11,956,980	9,680,639	5,861,610
	<u>102,196,759</u>	<u>79,476,184</u>	<u>83,905,968</u>
<b>Total liabilities</b>	<u><u>151,345,899</u></u>	<u><u>130,753,646</u></u>	<u><u>117,667,535</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>234,416,253</u></u>	<u><u>223,182,468</u></u>	<u><u>194,811,625</u></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 31 March 2024

	<i>Attributable to equity holders of the Parent Company</i>											<i>Non-controlling interests</i> KD	<i>Total equity</i> KD	
	<i>Share capital</i> KD	<i>Statutory reserve</i> KD	<i>Treasury shares</i> KD	<i>Treasury shares reserve</i> KD	<i>Asset revaluation surplus</i> KD	<i>Cash flow hedge reserve</i> KD	<i>Cost of hedging reserve</i> KD	<i>Fair value reserve</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Other reserves</i> KD	<i>Retained earnings</i> KD			<i>Sub-total</i> KD
<b>As at 1 January 2024</b> <i>(Audited)</i>	<b>27,750,000</b>	<b>7,676,188</b>	<b>(3,011,204)</b>	<b>5,139</b>	<b>31,508,181</b>	-	-	<b>134,283</b>	<b>(1,159,994)</b>	<b>1,196,343</b>	<b>18,432,439</b>	<b>82,531,375</b>	<b>9,897,447</b>	<b>92,428,822</b>
Profit for the period	-	-	-	-	-	-	-	-	-	-	6,316,568	6,316,568	1,089,981	7,406,549
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	28,000	(3,110,941)	-	-	(3,082,941)	(2,988,488)	(6,071,429)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	28,000	(3,110,941)	-	6,316,568	3,233,627	(1,898,507)	1,335,120
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)
<b>At 31 March 2024</b>	<b>27,750,000</b>	<b>7,676,188</b>	<b>(3,011,204)</b>	<b>5,139</b>	<b>31,508,181</b>	-	-	<b>162,283</b>	<b>(4,270,935)</b>	<b>1,196,343</b>	<b>15,159,219</b>	<b>76,175,214</b>	<b>6,895,140</b>	<b>83,070,354</b>

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 31 March 2024

	<i>Attributable to equity holders of the Parent Company</i>											<i>Non-controlling interests</i> KD	<i>Total equity</i> KD	
	<i>Share capital</i> KD	<i>Statutory reserve</i> KD	<i>Treasury shares</i> KD	<i>Treasury shares reserve</i> KD	<i>Asset revaluation surplus</i> KD	<i>Cash flow hedge reserve</i> KD	<i>Cost of hedging reserve</i> KD	<i>Fair value reserve</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Other reserves</i> KD	<i>Retained earnings</i> KD			<i>Sub-total</i> 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	-	-	-	-	-	-	-	-	-	-	5,990,604	5,990,604	550,039	6,540,643
Other comprehensive income (loss) for the period	-	-	-	-	-	566,714	68,471	(3,500)	(61,845)	-	-	569,840	(12,799)	557,041
Total comprehensive income (loss) for the period	-	-	-	-	-	566,714	68,471	(3,500)	(61,845)	-	5,990,604	6,560,444	537,240	7,097,684
Transfer of cash flow hedge reserve to inventories	-	-	-	-	-	488,216	-	-	-	-	-	488,216	(10,160)	478,056
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 31 March 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>463,209</u>	<u>(42,386)</u>	<u>(12,717)</u>	<u>(427,652)</u>	<u>1,196,343</u>	<u>8,533,127</u>	<u>70,694,957</u>	<u>6,449,133</u>	<u>77,144,090</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 31 March 2024

	Notes	Three months ended 31 March	
		2024 KD	2023 KD
<b>OPERATING ACTIVITIES</b>			
Profit before tax		7,917,126	6,991,484
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Gain on disposal of property, plant and equipment		(12,544)	(73)
Gain on derecognition of leases		-	(74)
Depreciation of property, plant and equipment and right of use assets	4	1,719,044	1,778,852
Amortisation of intangible assets		6,556	17,389
Share of results of equity-accounted investees	7	(531,088)	232,998
Charge of provision for old and obsolete inventories	4	114,444	304,816
Allowance for (reversal of) provision for expected credit losses on trade receivables	4	109,288	(25,220)
Provision for employees' end of service benefits		279,722	170,721
Finance costs on Islamic finance payables		595,573	279,771
Interest expense on lease liabilities		71,212	46,511
		<b>10,269,333</b>	<b>9,797,175</b>
<i>Working capital adjustments:</i>			
Inventories		(10,734,627)	4,084,247
Medium term receivables		148,108	303,040
Accounts receivable and prepayments		(1,796,445)	1,675,495
Receivables from related parties		82,354	(263,065)
Payables to related parties		(2,646)	(36,208)
Accounts payable and accruals		11,908,458	(4,689,805)
Cash flows from operations		<b>9,874,535</b>	<b>10,870,879</b>
Employees' end of service benefits paid		(119,093)	(15,374)
Taxes paid		(52,564)	(186,091)
<b>Net cash flows from operating activities</b>		<b>9,702,878</b>	<b>10,669,414</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,606,124)	(1,947,030)
Proceeds from disposal of property, plant and equipment		80,699	26,503
Purchase of intangible assets		(9,692)	-
Net movement in receivables from related parties		-	(3,215,855)
Net payments made to investment in equity accounted investee	7	(4,605,375)	-
<b>Net cash flows used in investing activities</b>		<b>(7,140,492)</b>	<b>(5,136,382)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from Islamic finance payables		2,350,000	2,700,000
Repayment of Islamic finance payables		(6,248,380)	(829,673)
Dividends paid to non-controlling interests		(858,715)	(317,640)
Net movement in payables to related parties		2,278,987	1,588,238
Dividends paid to equity holders of the Parent Company		(3,434)	(35,703)
Finance costs paid on Islamic finance payables		(595,573)	(279,771)
Payment of lease liabilities		(629,894)	(569,162)
<b>Net cash flows (used in) from financing activities</b>		<b>(3,707,009)</b>	<b>2,256,289</b>

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 31 March 2024

	Notes	Three months ended	
		31 March	
		2024	2023
		KD	KD
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,144,623)</b>	7,789,321
Cash and cash equivalents at 1 January		<b>20,480,145</b>	14,908,263
Net foreign exchange difference		<b>(7,980)</b>	1,232
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	8	<b>19,327,542</b>	22,698,816

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

Effective portion of gain on hedging instruments (adjusted with accounts receivable and prepayments)	16	-	660,234
Additions to lease liabilities (adjusted with accounts payable and accruals)		<b>197,581</b>	1,137,653
Additions to right-of-use assets (adjusted with property, plant and equipment)		<b>(197,581)</b>	(1,137,653)
Investment in equity-accounted investees (adjusted with amounts due from related parties)		-	(10,360)
Dividends payable to non-controlling interests (adjusted with accounts payable and accruals)		<b>(245,085)</b>	(462,600)
Modification of right-of-use assets (adjusted property, plant and equipment)		<b>58,394</b>	(38,845)
Modification of lease liabilities (adjusted with accounts payable and accruals)		<b>(58,394)</b>	38,845
Derecognition of right-of-use assets (adjusted property, plant and equipment)		-	229,846
Derecognition of lease liabilities (adjusted with accounts payable and accruals)		-	(229,920)
Transfer of property, plant and equipment from (to) inventories (net) - (adjusted with property, plant and equipment)		<b>262,951</b>	445,139
Transfer of property, plant and equipment (from) to inventories (net) - (adjusted with inventories)		<b>(262,951)</b>	(445,139)

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 31 March 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 three months ended 31 March 2024 was authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 9 May 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 paid 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 Group has set its initial public offering price to float a 45-percent stake and filed to list on Bursa Kuwait. The Board of Commissioners of Kuwait Capital Markets Authority (“CMA”) approved the listing of the Parent Company on Bursa Kuwait in the Premier Market on 28 April 2022. The Parent Company’s shares were listed in the Premier Market of Bursa Kuwait on 7 June 2022. The shareholders of the Parent Company in the extraordinary general assembly meeting (“EGM”) held on 6 July 2022 approved the change in the legal name 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 three months ended 31 March 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 three months ended 31 March 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 31 March 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 31 March 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 31 March 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>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
<b>Type of goods or service:</b>		
Sales of vehicles and spare parts	59,755,076	58,786,821
Vehicle inspection, repair and maintenance services	2,917,795	2,814,757
Insurance brokerage income	432,260	419,093
<b>Total revenue from contracts with customers</b>	<b>63,105,131</b>	<b>62,020,671</b>
<b>Geographical markets:</b>		
Kuwait	58,141,254	57,684,494
Iraq	4,963,877	4,336,177
<b>Total revenue from contracts with customers</b>	<b>63,105,131</b>	<b>62,020,671</b>
<b>Timing of revenue recognition:</b>		
Goods transferred at a point in time	59,314,732	58,424,610
Goods transferred over a period of time	440,344	362,211
Services rendered at a point in time	3,008,545	2,944,431
Services rendered over a period of time	341,510	289,419
<b>Total revenue from contracts with customers</b>	<b>63,105,131</b>	<b>62,020,671</b>

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 4 PROFIT FOR THE PERIOD

The profit for the period is stated after charging:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
<b>Staff costs included in:</b>		
Cost of sales and services rendered	1,368,124	982,514
Selling and distribution expenses	753,698	737,794
Administrative expenses	1,802,629	1,649,762
	<u>3,924,451</u>	<u>3,370,070</u>
<b>Expense relating to short term leases included in:</b>		
Cost of sales and services rendered	19,638	4,500
Selling and distribution expenses	-	1,200
Administrative expenses	11,385	6,587
	<u>31,023</u>	<u>12,287</u>
<b>Costs of inventories recognised as an expense (included in cost of sales and services rendered)</b>	<u>45,203,140</u>	<u>44,365,040</u>
<b>Rental vehicle fleet insurance charges (included in cost of sales and services rendered)</b>	<u>124,561</u>	<u>54,283</u>
<b>Charge of provision for obsolete and slow-moving inventories included in:</b>		
Cost of sales and services rendered	114,444	304,816
	<u>114,444</u>	<u>304,816</u>
<b>Allowance for (reversal of) ECL on trade receivables and instalment credit receivables included in:</b>		
Selling and distribution expenses	5,285	6,447
Administrative expenses	104,003	(31,667)
	<u>109,288</u>	<u>(25,220)</u>
<b>Depreciation expense recognised included in:</b>		
Cost of sales and services rendered	701,875	653,845
Selling and distribution expenses	815,769	773,753
Administrative expenses	201,400	351,254
	<u>1,719,044</u>	<u>1,778,852</u>

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

### 5 TAXATION

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2024</b>	2023
	<b>KD</b>	KD
Taxation on overseas subsidiary	<b>194,680</b>	154,043
National Labour Support Tax (“NLST”)	<b>176,307</b>	168,009
Zakat	<b>71,864</b>	67,204
Contribution to Kuwait Foundation for the Advances of Sciences (“KFAS”)	<b>67,726</b>	61,585
	<b>510,577</b>	450,841

#### *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>31 March</i>	
	<b>2024</b>	2023
Profit for the period attributable to equity holders of the Parent Company (KD)	<b>6,316,568</b>	5,990,604
Weighted average number of shares outstanding during the period (shares)*	<b>273,993,954</b>	274,048,954
<b>Basic and diluted EPS attributable to equity holders of the Parent Company (Fils)</b>	<b>23.05</b>	21.86

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

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.

# 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 31 March 2024

### 7 INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>As at 1 January</b>	<b>12,262,937</b>	3,065,573	3,065,573
Additions	<b>4,605,375</b>	8,356,256	10,360
Share of profit (loss) for the period	<b>531,088</b>	3,510,835	(232,998)
Other movements	-	(944,194)	-
Exchange differences	<b>(6,091,746)</b>	(1,725,533)	(121,463)
<b>Total equity accounted investments</b>	<b>11,307,654</b>	12,262,937	2,721,472

#### *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*

At 31 December 2023, 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. The joint venture is not publicly listed and is the official dealership of a renowned automobile brand in the Arab Republic of Egypt.

During the period ended 31 March 2024, the Group made an additional contribution of KD 4,605,375 (USD 15 million) towards the capital of the investee.

### 8 CASH AND SHORT-TERM DEPOSITS

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

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Cash at banks and on hand	<b>18,998,357</b>	17,297,262	15,979,473
Cash held in managed portfolios	<b>602,405</b>	1,682,883	1,219,343
Short-term deposits	-	1,500,000	6,500,000
<b>Cash and short-term deposits</b>	<b>19,600,762</b>	20,480,145	23,698,816
Less: Term deposits with original maturity of more than three months but less than twelve months after the reporting period	-	-	(1,000,000)
Bank overdraft	<b>(273,220)</b>	-	-
<b>Cash and cash equivalents</b>	<b>19,327,542</b>	20,480,145	22,698,816

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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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 9 TREASURY SHARES

	<i>31 March</i> <i>2024</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i>	<i>31 March</i> <i>2023</i>
Number of treasury shares	<b>3,506,046</b>	3,506,046	3,451,046
Percentage of total outstanding shares %	<b>1.26%</b>	1.26%	1.24%
Cost (KD)	<b>3,011,204</b>	3,011,204	2,954,654
Market value (KD)	<b>4,095,062</b>	3,702,385	3,174,962
Market value per share (Fils)	<b>1.168</b>	1.056	920

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

	<i>31 March</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>31 March</i> <i>2023</i> <i>KD</i>
Islamic finance payables	<b>29,882,076</b>	33,507,236	18,474,646
Non-current	<b>28,544,298</b>	29,048,163	15,651,657
Current	<b>1,337,778</b>	4,459,073	2,822,989
	<b>29,882,076</b>	33,507,236	18,474,646

Islamic finance payables include tawarruq facilities amounting to KD 19,030,013 (31 December 2023: KD 17,412,093; 31 March 2023: KD 12,929,368) 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

	<i>31 March 2024</i>		
	<i>Non-current</i> <i>KD</i>	<i>Current</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Trade payables	-	<b>41,728,311</b>	<b>41,728,311</b>
Advances from customers	-	<b>13,031,394</b>	<b>13,031,394</b>
Contract liabilities*	<b>9,158,861</b>	<b>4,653,908</b>	<b>13,812,769</b>
Lease liabilities	<b>4,780,049</b>	<b>2,031,163</b>	<b>6,811,212</b>
Accrued expenses	<b>344,518</b>	<b>13,634,141</b>	<b>13,978,659</b>
Dividend payable	-	<b>9,883,988</b>	<b>9,883,988</b>
Other payables	<b>314,998</b>	<b>3,939,096</b>	<b>4,254,094</b>
	<b>14,598,426</b>	<b>88,902,001</b>	<b>103,500,427</b>



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### 11 ACCOUNTS PAYABLE AND ACCRUALS (continued)

	31 December 2023 (Audited)		
	Non-current KD	Current KD	Total KD
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	-	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>
	31 March 2023		
	Non-current KD	Current KD	Total KD
Trade payables	-	33,119,241	33,119,241
Advances from customers	-	15,153,541	15,153,541
Contract liabilities*	8,261,313	3,409,026	11,670,339
Lease liabilities	4,035,952	1,727,160	5,763,112
Accrued expenses	138,800	9,456,648	9,595,448
Dividend payable	-	9,821,065	9,821,065
Other payables	66,862	2,534,688	2,601,550
	<u>12,502,927</u>	<u>75,221,369</u>	<u>87,724,296</u>

\* Contract liabilities represent unsatisfied performance obligations as at the reporting date towards vehicle maintenance services.

### 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 three months ended 31 March 2024 and 2023, as well as balances with related parties as at 31 March 2024, 31 December 2023 and 31 March 2023:

	Three months ended 31 March	
	2024 KD	2023 KD
<b>Interim condensed consolidated statement of profit or loss</b>		
<i>Entities under common control</i>		
Sale of goods	<b>76,210</b>	233,924
Rendering of services	<b>821</b>	3,628
Vehicle rental income	<b>4,950</b>	2,798
Administrative expenses	<b>(2,256)</b>	(12,164)
<i>Associate of the Ultimate Parent Company</i>		
Sale of goods	<b>257,472</b>	174,617
Rendering of services	<b>6,940</b>	3,648

# 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 31 March 2024

### 12 RELATED PARTY DISCLOSURES (continued)

	<b>31 March 2024 KD</b>	<i>(Audited)</i> <b>31 December 2023 KD</b>	<b>31 March 2023 KD</b>
<b>Consolidated statement of financial position</b>			
Investment in a quoted equity security*	<b>637,000</b>	609,000	462,000
Trade receivables*	<b>996,880</b>	944,684	308,180
Receivables from related parties:			
- Entities under common control /ownership	<b>125,953</b>	224,208	191,767
- Equity-accounted investees**	<b>6,466,093</b>	6,452,746	7,106,320
- Other related parties	<b>14,128</b>	11,574	16,843
	<b>6,606,174</b>	6,688,528	7,314,930

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

\*\* The balance includes the following:

An amount of KD 6,262,249 (31 December 2023: KD 6,297,566; 31 March 2023: KD 3,213,000) advanced to Global Auto S.A.E. to finance the working capital and other requirements. The amount is not secured, interest free and callable after at least after twelve months from the date of the loan agreement at the discretion of the Group.

	<b>31 March 2024 KD</b>	<i>(Audited)</i> <b>31 December 2023 KD</b>	<b>31 March 2023 KD</b>
<i>Payables to related parties:</i>			
Key management personnel	<b>107,520</b>	108,717	1,422
Entities under common control/ownership	<b>11,443</b>	12,598	5,589
Other related parties***	<b>11,838,017</b>	9,559,324	5,854,599
	<b>11,956,980</b>	9,680,639	5,861,610

\*\*\* As at the period end this balance includes an amount payable to the non-controlling investor of German Automotive Holding Limited amounting to KD 11,355,281 (31 December 2023: KD 9,076,295; 31 March 2023: KD 5,359,400).

#### 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 31 March 2024, the Group has not recognised any provision for expected credit losses relating to amounts owed by related parties (31 December 2023: Nil ; 31 March 2023: Nil).

#### Other related party disclosures

- ▶ Islamic finance payables include tawarruq facilities amounting to KD 19,030,013 (31 December 2023: KD 17,412,093; 31 March 2023: KD 12,929,368) secured by a corporate guarantee provided by certain Group entities (Note 10).
- ▶ Certain related parties provided a corporate guarantee to the Group amounting to KD Nil (31 December 2023: KD Nil; 31 March 2023: KD 14,993,368) in the ordinary course of business.
- ▶ As at 31 March 2024, the Group provided a corporate guarantee of KD 6,848,076 (31 December 2023: KD 7,018,824; 31 March 2023: KD 6,285,240) in the ordinary course of business to be utilised by a related party (Note 14).

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### 12 RELATED PARTY DISCLOSURES (continued)

#### 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>31 March</i>		
	<b>2024</b>	<b>2023</b>	
	<b>KD</b>	<b>KD</b>	
Salaries and short-term benefits	<b>101,359</b>	120,718	
End of service benefits	<b>17,219</b>	9,180	
	<b>118,578</b>	129,898	

	<i>Balance outstanding as at</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
		<i>(Audited)</i>	
Salaries and short-term benefits	<b>1,130,250</b>	1,121,042	862,058
End of service benefits	<b>489,474</b>	472,255	502,223
Directors' remuneration	<b>85,000</b>	85,000	-
	<b>1,704,724</b>	1,678,297	1,364,281

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.

### 13 DIVIDENDS MADE AND PROPOSED

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 by the shareholders at AGM held on 28 March 2024.

Dividends payable to equity holders of the Parent Company as at 31 March 2024 amounted to KD 9,638,903 (31 December 2023: KD 52,549 and 31 March 2023: KD 9,359,366) 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.

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

### 14 CONTINGENCIES (continued)

#### 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 22,293,688 (31 December 2023: KD 19,205,172; 31 March 2023: KD 26,303,081), out of which KD 6,848,076 (31 December 2023: KD 7,018,824; 31 March 2023: KD 6,285,240) 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 four 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 profit information of the Group's operating segments for the three month ended 31 March 2024 and 2023, respectively:

	<i>Revenue</i>		<i>Results</i>	
	<i>Three months ended</i>		<i>Three months ended</i>	
	<i>31 March</i>		<i>31 March</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	<b>61,874,066</b>	60,888,151	<b>16,568,684</b>	16,852,859
Iraq	<b>4,963,877</b>	4,336,177	<b>1,098,236</b>	822,488
United Arab Emirates	-	-	<b>529,714</b>	(59,277)
Adjustments and eliminations	<b>(2,610,917)</b>	(2,112,027)	<b>(10,790,085)</b>	(11,075,427)
	<b>64,227,026</b>	63,112,301	<b>7,406,549</b>	6,540,643

#### b) Segment assets and liabilities

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

	<i>31 March</i>	<i>(Audited)</i>	
		<i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Segment assets</b>			
Kuwait	<b>255,397,108</b>	236,747,456	223,981,712
Iraq	<b>16,286,604</b>	13,897,389	9,875,245
United Arab Emirates	<b>18,144,939</b>	19,089,109	10,220,443
Adjustments and eliminations	<b>(55,412,398)</b>	(46,551,486)	(49,265,775)
<b>Total consolidated segment assets</b>	<b>234,416,253</b>	223,182,468	194,811,625
<b>Segment liabilities</b>			
Kuwait	<b>151,438,235</b>	125,146,601	120,763,185
Iraq	<b>6,624,574</b>	4,587,596	4,495,295
United Arab Emirates	<b>11,362,004</b>	9,084,962	5,369,441
Adjustments and eliminations	<b>(18,078,914)</b>	(8,065,513)	(12,960,386)
<b>Total consolidated segment liabilities</b>	<b>151,345,899</b>	130,753,646	117,667,535

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 31 March 2024

15 SEGMENT INFORMATION (continued)

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>Three months ended</i>		<i>Three months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
Kuwait	-	(172,527)	<b>41,834,097</b>	41,457,520
Iraq	-	-	<b>3,369,043</b>	2,907,520
United Arab Emirates*	<b>531,088</b>	(60,471)	-	-
	<b>531,088</b>	(232,998)	<b>45,203,140</b>	44,365,040

d) Other disclosures

	<i>31 March</i>	<i>(Audited)</i>	
		<i>31 December</i>	<i>31 March</i>
	<b>2024</b>	2023	2023
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<i>Investment in equity accounted investees</i>			
United Arab Emirates	<b>11,307,654</b>	12,262,937	2,721,472
	<b>11,307,654</b>	12,262,937	2,721,472
<i>Capital expenditure**</i>			
Kuwait	<b>2,592,174</b>	11,396,741	1,867,465
Iraq	<b>23,642</b>	66,833	79,565
	<b>2,615,816</b>	11,463,574	1,947,030

\* 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.

# 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 31 March 2024

### 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)</i> KD	<i>Significant observable inputs (Level 2)</i> KD	<i>Total</i> KD
<b>31 March 2024</b>			
<b>Financial instruments measured at fair value:</b>			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	<b>637,000</b>	-	<b>637,000</b>
<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>31 March 2023</i>			
Financial instruments measured at fair value:			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	462,000	-	462,000
<i>Derivative financial assets</i>			
Foreign exchange forward contracts	-	660,234	660,234

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 3,119,530.

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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