

**NATIONAL INVESTMENTS COMPANY K.S.C.P.
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

30 SEPTEMBER 2022 (UNAUDITED)

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL INVESTMENTS COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Investments Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively the “Group”) as at 30 September 2022 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. 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.

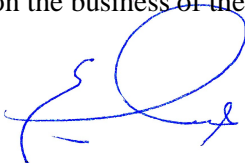
Conclusion

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 the basis of presentation set out in Note 2.

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, as amended, during the nine months period ended 30 September 2022 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. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine months period ended 30 September 2022 that might have had a material effect on the business of the Parent Company or on its financial position.



ABDULKARIM ALSAMDAN
LICENCE NO. 208 A
EY
AL AIBAN AL OSAIMI & PARTNERS

10 November 2022
Kuwait

National Investments Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period ended 30 September 2022

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
<i>Note</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
INCOME				
Realized gain on financial assets at fair value through profit or loss	444	1,041	2,190	2,082
Unrealized (loss)/ gain on financial assets at fair value through profit or loss	(4,517)	5,434	(3,587)	19,173
Change in fair value of investment properties	-	-	-	(1,883)
Gain on sale of investment properties	-	-	166	140
Rental income	356	503	1,073	1,360
Dividend income	597	424	8,080	4,307
Management, incentive, brokerage and advisory fees	2,661	2,271	8,294	5,881
Interest income	18	12	155	27
Share of results of associates and joint venture	251	410	549	416
Net gain on sale/liquidation of associate	3	6	147	335
Gain on foreign exchange trading	53	107	147	359
TOTAL INCOME	(134)	10,208	17,214	32,197
EXPENSES				
Administrative expenses	3,139	1,758	6,983	5,416
Finance costs	269	165	822	412
Charge for/ (reversal of) impairment losses and other provisions	1	-	(1)	210
(Gain)/ loss on foreign currency translation	(339)	81	(706)	277
TOTAL EXPENSES	3,070	2,004	7,098	6,315
(LOSS)/ PROFIT BEFORE TAXATION	(3,204)	8,204	10,116	25,882
Taxation	170	(337)	(359)	(1,003)
(LOSS)/ PROFIT FOR THE PERIOD	(3,034)	7,867	9,757	24,879
Attributable to:				
Equity holders of the Parent Company	(3,154)	7,296	8,795	22,352
Non-controlling interests	120	571	962	2,527
	(3,034)	7,867	9,757	24,879
BASIC AND DILUTED (LOSS)/ EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
	4	(3.96) fils	9.20 fils	11.03 fils
				28.07 fils

The attached notes 1 to 15 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2022

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
(Loss)/ profit for the period	(3,034)	7,867	9,757	24,879
Other comprehensive (loss)/ income:				
<i>Items that will not be reclassified to interim condensed consolidated income statement in subsequent periods:</i>				
Change in fair value of equity instruments at fair value through other comprehensive income	(2,919)	12,779	5,053	21,347
Share of other comprehensive income/ (loss) of associates	172	263	418	(196)
	(2,747)	13,042	5,471	21,151
<i>Items that are or may be reclassified to the interim condensed consolidated income statement in subsequent periods:</i>				
Foreign currency translation adjustments	231	28	451	(110)
Other comprehensive (loss)/ income for the period	(2,516)	13,070	5,922	21,041
Total comprehensive (loss)/ income for the period	(5,550)	20,937	15,679	45,920
Attributable to:				
Equity holders of the Parent Company	(5,691)	20,296	14,564	43,287
Non-controlling interests	141	641	1,115	2,633
	(5,550)	20,937	15,679	45,920

The attached notes 1 to 15 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2022

		30 September 2022	(Audited) 31 December 2021	30 September 2021
	Notes	KD 000's	KD 000's	KD 000's
ASSETS				
Cash and balances with banks and financial institutions		25,677	39,365	29,887
Financial assets at fair value through profit or loss	5	109,412	111,209	110,425
Trading properties		291	284	282
Loans		376	61	60
Financial assets at fair value through other comprehensive income	6	82,009	82,048	80,540
Financial assets held to maturity		64	-	-
Investment in associates and joint venture		14,269	21,206	23,066
Investment properties		28,013	29,671	28,153
Intangible assets		1,316	958	1,120
Goodwill	15	1,708	-	-
Other assets		5,488	5,772	4,675
TOTAL ASSETS		268,623	290,574	278,208
LIABILITIES AND EQUITY				
LIABILITIES				
Bank borrowings	7	39,173	40,483	40,763
Accounts payable and accruals		15,325	14,519	11,696
TOTAL LIABILITIES		54,498	55,002	52,459
EQUITY				
Share capital		79,786	79,786	79,786
Share premium		49,593	49,593	49,593
Statutory reserve		10,285	10,285	7,709
Voluntary reserve		12,508	22,693	22,693
Treasury shares	8	(235)	-	(2,073)
Treasury shares reserve		520	520	-
Other reserves		460	440	440
Foreign currency translation reserve		722	456	412
Cumulative changes in fair value		30,286	27,286	25,100
Retained earnings		11,298	25,719	23,781
Equity attributable to the equity holders of the Parent Company		195,223	216,778	207,441
Non-controlling interests		18,902	18,794	18,308
TOTAL EQUITY		214,125	235,572	225,749
TOTAL LIABILITIES AND EQUITY		268,623	290,574	278,208



Bader Naser Al Kharafi
Chairman



Fahad Abdulrahman Al-Mukhaizim
Board Member & Chief Executive Officer

The attached notes 1 to 15 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2022

	<i>Attributable to equity holders of the Parent Company</i>												<i>Non-controlling interests</i>	<i>Total</i>
	<i>Share capital</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>Voluntary reserve</i>	<i>Treasury shares</i>	<i>Treasury shares reserve</i>	<i>Other reserves</i>	<i>Foreign currency translation reserve</i>	<i>Cumulative changes in fair value</i>	<i>Retained earnings</i>	<i>Sub total</i>	<i>KD 000's</i>		
Balance at 1 January 2022 <i>(Audited)</i>	79,786	49,593	10,285	22,693	-	520	440	456	27,286	25,719	216,778	18,794	235,572	
Profit for the period	-	-	-	-	-	-	-	-	-	8,795	8,795	962	9,757	
Other comprehensive income for the period	-	-	-	-	-	-	-	266	5,503	-	5,769	153	5,922	
Total comprehensive income	-	-	-	-	-	-	-	266	5,503	8,795	14,564	1,115	15,679	
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	(2,503)	2,503	-	-	-	
Purchase of treasury shares	-	-	-	-	(235)	-	-	-	-	-	(235)	-	(235)	
Dividend (Note 9)	-	-	-	(10,185)	-	-	-	-	-	(25,719)	(35,904)	-	(35,904)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,060)	(1,060)	
Partial disposal of subsidiary without loss of control	-	-	-	-	-	-	20	-	-	-	20	-	20	
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	53	53	
Balance at 30 September 2022	79,786	49,593	10,285	12,508	(235)	520	460	722	30,286	11,298	195,223	18,902	214,125	

The attached notes 1 to 15 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P. and its Subsidiaries

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

For the period ended 30 September 2022

	<i>Attributable to equity holders of the Parent Company</i>											
	<i>Share capital KD 000's</i>	<i>Share premium KD 000's</i>	<i>Statutory reserve KD 000's</i>	<i>Voluntary reserve KD 000's</i>	<i>Treasury shares KD 000's</i>	<i>Other reserves KD 000's</i>	<i>Foreign currency translation reserve KD 000's</i>	<i>Cumulative changes in fair value KD 000's</i>	<i>Retained earnings KD 000's</i>	<i>Sub Total KD 000's</i>	<i>Non-controlling interests KD 000's</i>	<i>Total KD 000's</i>
Balance at 1 January 2021 (<i>Audited</i>)	79,786	49,593	7,709	25,408	-	419	494	5,512	6,061	174,982	16,443	191,425
Profit for the period	-	-	-	-	-	-	-	-	22,352	22,352	2,527	24,879
Other comprehensive (loss) income for the period	-	-	-	-	-	-	(82)	21,017	-	20,935	106	21,041
Total comprehensive (loss) income	-	-	-	-	-	-	(82)	21,017	22,352	43,287	2,633	45,920
Purchase of treasury shares	-	-	-	-	(2,073)	-	-	-	-	(2,073)	-	(2,073)
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	(1,429)	1,429	-	-	-
Dividend (Note 9)	-	-	-	(2,715)	-	-	-	-	(6,061)	(8,776)	-	(8,776)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(527)	(527)
Partial disposal of subsidiary without loss of control	-	-	-	-	-	-	-	-	-	21	-	21
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(241)	(241)
Balance at 30 September 2021	79,786	49,593	7,709	22,693	(2,073)	440	412	25,100	23,781	207,441	18,308	225,749

The attached notes 1 to 15 form part of the interim condensed consolidated financial information.

National Investments Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 September 2022

	<i>Nine months ended</i> <i>30 September</i>	
	2022	2021
	<i>KD 000's</i>	<i>KD 000's</i>
OPERATING ACTIVITIES		
Profit before taxation	10,116	25,882
Adjustments for:		
Unrealized gain on financial assets at fair value through profit or loss	3,587	(19,173)
Dividend income	(8,080)	(4,307)
Interest income	(155)	(27)
Change in fair value of investment properties	-	1,883
Gain on sale of investment properties	(166)	(140)
Share of results of associates and Joint venture	(549)	(416)
Net gain on sale/liquidation of associate	(147)	(335)
Finance costs	822	412
Depreciation and amortization	239	113
Charge for/ (reversal of) impairment losses and other provisions	(1)	210
	5,666	4,102
<i>Changes in operating assets and liabilities:</i>		
Financial assets at fair value through profit or loss	(1,790)	(2,014)
Other assets	559	757
Accounts payable and accruals	(635)	(599)
Cash flows from operations	3,800	2,246
Interest income received	155	27
Taxes paid	(1,020)	-
Dividend income received	8,068	4,283
Net cash flows from operating activities	11,003	6,556
INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(17,412)	(10,524)
Proceeds from sale of financial assets at fair value through other comprehensive income	22,504	9,739
Proceeds from sale of investment properties	1,824	2,158
Additions to investment in associates	-	(3,896)
Proceeds from sale of associate	7,416	788
Dividends received from associates	319	684
Capital distribution received from associates	400	1,023
Acquisition of a subsidiary, net of cash acquired	(1,491)	-
Net movement in fixed deposits	200	303
Net loans (granted)/ repaid during the period	(319)	3
Purchase of financial assets held to maturity	(64)	-
Fixed assets purchased	(149)	-
Net cash flows from investing activities	13,228	278
FINANCING ACTIVITIES		
Bank borrowings availed	-	23,000
Repayment of short-term borrowings	(1,310)	(1,758)
Finance costs paid	(804)	(239)
Purchase of treasury shares	(235)	(2,073)
Dividends paid to non-controlling interests	(1,060)	(526)
Movement in non-controlling interests	28	(240)
Dividends paid	(34,338)	(8,377)
Net cash flows (used in)/ from financing activities	(37,719)	9,787
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(13,488)	16,621
Cash and cash equivalents at 1 January	37,765	13,266
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	24,277	29,887
Cash and cash equivalents comprise of:		
Cash and balances with banks and financial institutions	25,677	29,887
Less: Term deposits with an original maturity of more than three months	(1,400)	-
	24,277	29,887

The attached notes 1 to 15 form part of the interim condensed consolidated financial information.

National Investments 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 September 2022

1 CORPORATE INFORMATION

The Group comprises National Investments Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively “the Group”). The Parent Company is a Public Kuwaiti Shareholding Company, incorporated on 6 December 1987 and listed on the Boursa Kuwait. The Parent Company is regulated by the Central Bank of Kuwait (“CBK”) for financing activities and Capital Markets Authority (“CMA”) as an investment company.

The purposes and objectives of the Parent Company are as follows:

- Working as financial broker unregistered in the Exchange market.
- Carrying out all financial transactions such as lending, borrowing, acting as a guarantor and issuance of bonds of all kinds with or without collateral in both local and global markets.
- Incorporating or participation in the incorporation of companies of all different types, purposes and nationalities as well as selling and purchasing of their shares, issued bonds and financial rights for the company.
- Undertaking all the activities related to securities, including selling and purchase of all types of shares and bonds for the interest of the Company, whether those issued by local and global private sector, governmental or semi-governmental companies.
- Acting as manager of financial portfolios.
- Investing in real estate, industrial, agricultural sectors and other economic sectors by participation in incorporating specialized companies or purchase of their shares.
- Undertaking real estate investments aiming at developing residential lands and building units, residential and commercial complexes with a view to sell or lease them.
- Acting as investment advisor.
- Acting as subscription agent.
- Acting as Mutual investment system manager.
- Dealing and trading in foreign currency exchange and precious metals market inside and outside Kuwait for its own account without prejudice to the prohibition stipulated by ministerial resolution issued concerning the Central Bank of Kuwait regulation of investment companies.
- Owning industrial property rights, patents, industrial and commercial trademarks, commercial royalties, literary and intellectual rights relating to software, publications as well as utilizing and franchising them to other bodies.
- Market Maker activities

The Parent Company may have an interest or participate in any manner with bodies performing activities similar to its own to assist the Parent Company in achieving its purpose inside or outside Kuwait. It may also establish, participate, merge or buy such corporations.

The Parent Company’s registered head office is at Khaleejia Complex, Jaber Al Mubarak street, Kuwait.

The Annual General Assembly (“AGM”) of the Parent Company’s shareholders held on 12 May 2022 approved the consolidated financial statements for the year ended 31 December 2021.

The interim condensed consolidated financial information for the period ended 30 September 2022 were authorized for issue in accordance with a resolution of the Parent Company’s Board of Directors on 10 November 2022.

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (“IAS”) 34: Interim Financial Reporting, except as noted below:

The annual consolidated financial statements for the year ended 31 December 2021 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the CBK. These regulations require expected credit loss (“ECL”) to be measured at higher of the ECL on credit facilities computed under IFRS 9: Financial Instruments (“IFRS 9”) according to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with the IFRS and regulations of the State of Kuwait for financial services institutions regulated by the CBK, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

Certain comparative amounts have been reclassified to improve the quality of information presented. There is no effect of these reclassifications on the previously reported equity as at 31 December 2021 and 30 September 2021 and profit for the year/period ended 31 December 2021 and 30 September 2021.

Operating results for the nine months ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For more details, please refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2021.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendments that has been issued but is not yet effective.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

IAS 29 Financial Reporting in Hyperinflationary Economies

The financial information of subsidiary companies whose functional currency is the currency of a hyperinflationary economy are adjusted for inflation prior to their translation to Kuwaiti Dinars. Once restated, all items of the financial statements are converted to Kuwaiti Dinars using the closing exchange rate. Amounts shown for prior years for comparative purposes are not restated at consolidation level as the presentation currency of the Group is not of a hyperinflationary economy. On consolidation, the effect of price changes in the prior periods on the financial information of the subsidiary has been recognised directly in the interim condensed consolidated statement of changes in equity.

The financial information of subsidiaries whose functional currency is the currency of a hyperinflationary economy are adjusted to reflect the changes in purchasing power of the local currency, such that all items in the interim condensed consolidated statement of financial position not expressed in current terms (non-monetary items) are restated by applying a general price index at the reporting date and all income and expenses are restated by applying appropriate conversion factors.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

National Investments 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 September 2022

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (continued)

These amendments had no impact on the interim condensed consolidated financial information of the Group as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no modifications of the Group's financial instruments during the period.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2022 did not have any material impact on the accounting policies, financial position or performance of the Group.

3 SUBSIDIARY COMPANIES

Details of material subsidiary companies are as follows:

<i>Name</i>	<i>Country of incorporation</i>	<i>Holding % (Audited)</i>			<i>Principal Activities</i>
		<i>30 September 2022</i>	<i>31 December 2021</i>	<i>30 September 2021</i>	
<i>Directly held</i>					
MENA Capital Holding Company K.S.C. (Closed) ("MENA")	Kuwait	59.33	59.33	59.33	Investments
International Infrastructure Holding Co. K.S.C. (Closed)	Kuwait	99.00	99.00	99.00	Investments
Al Waseet Financial Business Company K.S.C. (Closed) ("Waseet")	Kuwait	65.17	65.17	65.17	Investment brokerage services
Al-Bawaba Al-Watania General Trading & Cont. Co. W.L.L.	Kuwait	99.00	99.00	99.00	Trading and Contracting
National Gate for Computer Systems Company K.S.C. (Closed)	Kuwait	99.33	99.33	99.33	Information technology
National Investment Company S.A.L.(2)	Lebanon	100	100	100	Property development
National Investment Co. Holding S.A.L.(2)	Lebanon	99.00	99.00	99.00	Investments
Al Mada Investment Fund ("Al Mada")	Bahrain	49.42	49.61	49.54	Investments
NIC Pipe	Cayman Island	92.50	92.50	92.50	Investments
NIC Technology Ventures Ltd	British Virgin Islands	69.00	69.00	-	Investments
Flick Wholesale and Trading Company. W.L.L.(1) ("Flick")	Kuwait	95.00	-	-	Wholesale and retail (Last mile Logistic)
<i>Indirectly held through Waseet</i>					
Al Nugoua For General Trading Company W.L.L.	Kuwait	99.00	99.00	99.00	Real estate investments
<i>Indirectly held through Flick</i>					
Al Ameen Consumer Goods Delivery Co. W.L.L.	Kuwait	100	-	-	Goods delivery

National Investments 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 September 2022

3 SUBSIDIARY COMPANIES (continued)

Indirectly held through MENA

Colony/MENA Holdings L.P.	Guernsey	99.99	99.99	99.99	Investments
Colony/MENA Holdings, Limited	Guernsey	100	100	100	Investments

- (1) During the period, the Parent Company acquired 95% equity interest in a new subsidiary namely Flick in Kuwait (Note 15).
- (2) The Parent Company has two subsidiaries in Lebanon namely “National Investment Company S.A.L.” and “National Investment Co. Holding S.A.L.”. Lebanon has been declared as the Hyperinflationary economy in 2020. As per “IAS 29- Financial Reporting in Hyperinflationary Economy”, this standard applies where an entity's functional currency is that of a hyperinflationary economy. The functional currency of both the Lebanon entities is in US Dollars. Hence, the management has not applied IAS-29 on these entities.

4 BASIC AND DILUTED (LOSS)/ EARNINGS PER SHARE

Basic and diluted (loss)/ earnings per share is computed by dividing the (loss)/profit for the period attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period less treasury shares.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	2022	2021	2022	2021
(Loss)/ profit for the period attributable to equity holders of the Parent Company (KD 000's)	(3,154)	7,296	8,795	22,352
Weighted average number of shares outstanding during the period	797,021,540	793,084,034	797,525,068	796,251,912
Basic and diluted (loss)/ earnings per share	(3.96) fils	9.20 fils	11.03 fils	28.07 fils

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>(Audited)</i>		
	<i>30 September 2022</i>	<i>31 December 2021</i>	<i>30 September 2021</i>
	KD 000's	<i>KD 000's</i>	<i>KD 000's</i>
Quoted securities (including loaned security) *	42,758	42,705	42,759
Unquoted equity investments (includes private equity investments)	3,577	5,649	7,332
Unquoted mutual fund investments (investing in quoted and unquoted securities)	63,077	62,855	60,334
	109,412	111,209	110,425

* The Group has entered in a security lending agreement (‘Contract’) with an external party in which shares of a quoted security with a carrying value of KD 1,035 thousand (31 December 2021: KD 1,010 thousand and 30 September 2021: KD 921 thousand) are lent for a period for one year. The external party is required to return the shares at the end or on the termination of the Contract whichever is earlier. Management has determined that as the derecognition criteria as per the IFRS 9 *Financial Instruments* was not met, the shares have not been derecognised.

Unquoted equity investments are fair valued using fair valuation techniques which resulted in a loss due to change in fair value of KD 381 thousand during the period recorded in interim condensed consolidated income statement (31 December 2021: loss due to change in fair value of KD 866 thousand and 30 September 2021: gain due to change in fair value of KD 236 thousand).

National Investments Company K.S.C.P. and its Subsidiaries

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5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The unquoted mutual fund investments are carried at the latest net asset value provided by the respective fund managers based on the underlying assets of the funds.

The hierarchy for determining and disclosing the fair values of financial instruments by valuation technique are presented in Note 14.

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>30 September</i> <i>2022</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD 000's</i>	<i>30 September</i> <i>2021</i> <i>KD 000's</i>
Quoted equity investments*	70,333	69,568	66,902
Unquoted equity investments	11,676	12,480	13,638
	82,009	82,048	80,540

*Quoted equity investments include shares in Boursa Kuwait Securities Company K.P.S.C. which were acquired by the Parent Company through auction on 14 February 2019 as a part of consortium prior to its listing.

Since, these shares are subject to specific restrictions for a five year period according to the shareholder agreement, a discount of 27.5% has been applied as at 30 September 2022 (31 December 2021: 35% and 30 September 2021: 35%) to arrive at the fair value in accordance with IFRS13. The Parent Company will assess its position periodically at the end of each reporting period and factor in the appropriate level of discount.

The hierarchy for determining and disclosing the fair values of financial instruments by valuation technique are presented in Note 14.

7 BANK BORROWINGS

	<i>30 September</i> <i>2022</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD 000's</i>	<i>30 September</i> <i>2021</i> <i>KD 000's</i>
Secured borrowings:			
- Due within one year	5,483	6,453	6,563
- Due after one year	33,690	34,030	34,200
	39,173	40,483	40,763

Bank borrowings carry interest rates ranging from 3.95% to 4.5% (31 December 2021: 2.45% to 3% and 30 September 2021: 2.45% to 3%).

The bank borrowings are secured by a charge over certain financial assets at fair value through profit and loss, financial assets at fair value through other comprehensive income, investment in associates and investment properties of the Parent Company.

National Investments Company K.S.C.P. and its Subsidiaries

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8 TREASURY SHARES

	<i>30 September</i> <i>2022</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i>	<i>30 September</i> <i>2021</i>
Number of shares	840,563	-	11,299,001
Percentage of issued shares	0.11%	-	1.42%
Cost ("KD")	235	-	2,073
Market value ("KD")	194	-	2,215
Weighted average market value per share (fils)	320	-	175

Reserves equivalent to the cost of the treasury shares held are not available for distribution during the holding period of such shares as per CMA guidelines. An amount equivalent to the cost of purchase of treasury shares have been earmarked as non-distributable throughout the holding period of treasury shares.

9 DIVIDEND DISTRIBUTIONS

The AGM of the shareholders for the year 2021 held on 12 May 2022 approved cash dividend of 45 fils per share amounting to KD 35,904 thousand from retained earnings and partly from voluntary reserves representing 45% of the paid-up share capital.

The AGM of the shareholders for the year 2020 held on 18 May 2021 approved cash dividend of 11 fils per share amounting to KD 8,776 thousand from retained earnings and partly from voluntary reserves representing 11% of the paid-up share capital.

10 RELATED PARTIES DISCLOSURES

Related parties represent associated companies, managed funds, major shareholders, 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 Parent Company's management.

Transactions with related parties are as follows:

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Included in the interim condensed consolidated income statement:				
Management and advisory fees (others)	801	1,009	2,340	2,209
Management and advisory fees (associates)	-	77	35	139
Rental income (others)	-	55	-	165
Rental income (associates)	-	2	3	5
Management and advisory fees (others)	(4)	-	(35)	-
Interest (associates)	1	-	1	-
Administrative expenses	-	(5)	-	(15)
			<i>(Audited)</i>	
	<i>30 September</i>		<i>31 December</i>	<i>30 September</i>
	<i>2022</i>		<i>2021</i>	<i>2021</i>
	<i>KD 000's</i>		<i>KD 000's</i>	<i>KD 000's</i>
Included in interim condensed consolidated statement of financial position:				
Other assets (others)	770		1,290	972
Other assets (associates)	19		54	34
Loans (associates)	70		-	-

National Investments Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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10 RELATED PARTIES DISCLOSURES (continued)

Compensation of key management personnel

The compensation of key management personnel of the Group during the period were as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Salaries and short-term benefits	208	259	1,364	1,016
Employees' end of service benefits	96	29	152	95
	304	288	1,516	1,111

11 SEGMENT INFORMATION

For management purposes the Group is organized into four major business segments. The principal activities and services under these segments are as follows:

- ▶ Investment segment represents trading in equities including investment in associates and other strategic investments;
- ▶ Treasury segment represents liquidity management and trading in foreign currencies;
- ▶ Real estate segment represents rental operations, buying, selling and investing in real estate; and
- ▶ Asset management, advisory and brokerage segment represents managing discretionary and non-discretionary investment portfolio, managing of investment funds, brokerage services, providing advisory services, last mile delivery services, other related financial services and market making

Management monitors the operating segment separately for the purpose of making decisions about the resource allocation and performance assessment. The segment performance is evaluated based on segment result before taxes in the management and reporting systems.

The following table presents revenue, results for the period, total assets and total liabilities information regarding the Group's reportable segments.

	<i>Investment</i>	<i>Treasury</i>	<i>Real estate</i>	<i>Asset management, advisory and brokerage</i>	<i>Unallocated</i>	<i>Total</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
<i>30 September 2022</i>						
Segment revenues	7,473	246	1,241	8,254	-	17,214
Segment results	6,743	(764)	35	4,102	-	10,116
Segment assets	228,380	2,375	29,103	8,200	565	268,623
Segment liabilities	1,534	36,940	2,518	2,955	10,551	54,498
<i>31 December 2021 (Audited)</i>						
Segment assets	224,136	27,190	30,709	7,971	568	290,574
Segment liabilities	1,345	35,866	4,830	2,400	10,561	55,002
<i>30 September 2021</i>						
Segment revenues	26,836	365	(380)	5,376	-	32,197
Segment results	24,980	(470)	(1,527)	2,899	-	25,882
Segment assets	220,093	23,889	29,261	4,431	534	278,208
Segment liabilities	1,205	36,127	4,955	2,400	7,772	52,459

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12 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 September 2022</i>	<i>(Audited) 31 December 2021</i>	<i>30 September 2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Capital commitments towards investments and other assets	11,571	11,817	10,890
Bank guarantees	268	149	149
Unsold borrowed shares*	535	436	420
	12,374	12,402	11,459

The Group has contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

*Unsold borrowed shares relate to shares borrowed from a related party for Market Maker activity. As of the reporting period, these borrowed shares are being held by the Parent Company.

13 FIDUCIARY ACCOUNTS

The Group manages portfolios on behalf of others and maintains cash balances and securities in fiduciary accounts without recourse to the Group which are not included in the interim condensed consolidated statement of financial position. As at the reporting date, total fiduciary assets managed by the Group amount to KD 1,167,826 thousand (31 December 2021: KD 1,088,237 thousand and 30 September 2021: KD 1,129,184 thousand). The total income earned from trust and other fiduciary activities amount to KD 3,144 thousand (31 December 2021: KD 4,790 thousand and 30 September 2021: KD 2,862 thousand).

14 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique;

Level 1: quoted (unadjusted) prices in active markets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: other techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

National Investments Company K.S.C.P. and its Subsidiaries

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14 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>Fair value measurement using</i>			
	<i>Total</i> <i>KD 000's</i>	<i>Quoted prices in active markets (Level 1)</i> <i>KD 000's</i>	<i>Significant observable inputs (Level 2)</i> <i>KD 000's</i>	<i>Significant unobservable inputs (Level 3)</i> <i>KD 000's</i>
30 September 2022				
Assets measured at fair value				
<i>Financial assets at fair value through profit or loss</i>				
Quoted securities (including loaned security)	42,758	42,758	-	-
Unquoted equity investments (includes private equity investments)	3,577	-	-	3,577
Unquoted mutual fund investments (investing in quoted and unquoted investments)	63,077	-	45,660	17,417
<i>Financial assets at fair value through other comprehensive income</i>				
Quoted equity investments	70,333	26,916	43,417	-
Unquoted equity investments	11,676	-	-	11,676
<i>Investment properties</i>	28,013	-	-	28,013
<i>Forward foreign exchange contracts</i>	15	-	15	-
Assets measured at cost while fair value is disclosed				
<i>Trading properties*</i>	291	-	291	-
	<u>219,740</u>	<u>69,674</u>	<u>89,383</u>	<u>60,683</u>
Liabilities measured at fair value				
<i>Forward foreign exchange contracts</i>	15	-	15	-
	<u>15</u>	<u>-</u>	<u>15</u>	<u>-</u>
31 December 2021 (Audited)				
Assets measured at fair value				
<i>Financial assets at fair value through profit or loss:</i>				
Quoted securities	42,705	42,705	-	-
Unquoted equity investments (including private equity investments)	5,649	-	-	5,649
Unquoted mutual fund investments (investing in quoted and unquoted investments)	62,855	-	47,601	15,254
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equity investments	69,568	31,589	37,979	-
Unquoted equity investments	12,480	-	-	12,480
<i>Investment properties</i>	29,671	-	-	29,671
Assets measured at cost while fair value is disclosed				
<i>Trading properties*</i>	284	-	284	-
	<u>223,212</u>	<u>74,294</u>	<u>85,864</u>	<u>63,054</u>

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14 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

	<i>Fair value measurement using</i>			
	<i>Total</i>	<i>Quoted</i>	<i>Significant</i>	<i>Significant</i>
<i>30 September 2021</i>	<i>KD 000's</i>	<i>prices in</i>	<i>observable</i>	<i>unobservable</i>
		<i>active</i>	<i>inputs</i>	<i>inputs</i>
		<i>markets</i>	<i>(Level 2)</i>	<i>(Level 3)</i>
		<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
<i>Assets measured at fair value</i>				
<i>Financial assets at fair value through profit or loss</i>				
Quoted securities	42,759	42,759	-	-
Unquoted equity investments (including private equity investments)	7,332	-	-	7,332
Unquoted mutual fund investments (investing in quoted and unquoted investments)	60,334	-	47,529	12,805
<i>Financial assets at fair value through other comprehensive income</i>				
Quoted equity investments	66,901	32,277	34,624	-
Unquoted equity investments	13,639	-	-	13,639
<i>Investment properties</i>	28,153	-	-	28,153
<i>Forward foreign exchange contracts</i>	71	-	71	-
<i>Assets measured at cost while fair value is disclosed</i>				
<i>Trading properties*</i>	282	-	282	-
	<u>219,471</u>	<u>75,036</u>	<u>82,506</u>	<u>61,929</u>
<i>Liabilities measured at fair value</i>				
<i>Forward foreign exchange contracts</i>	<u>73</u>	<u>-</u>	<u>73</u>	<u>-</u>

* The fair value of the trading properties measured at cost is KD 332 thousand (31 December 2021: KD 323 thousand and 30 September 2021: KD 322 thousand).

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14 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets and liabilities which are recorded at fair value.

	<i>As at 1 January 2022 KD 000's</i>	<i>Gain (loss) recorded in the interim condensed consolidated income statement KD 000's</i>	<i>Loss recorded in other comprehensive income KD 000's</i>	<i>Net purchases, transfer, (sales) and settlements KD 000's</i>	<i>As at 30 September 2022 KD 000's</i>
30 September 2022					
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity investments	5,649	42	-	(2,114)	3,577
Unquoted mutual fund investments	15,254	(302)	-	2,465	17,417
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equity investments	12,480	-	332	(1,136)	11,676
<i>Investment properties</i>	29,671	166	-	(1,824)	28,013
	<u>63,054</u>	<u>(94)</u>	<u>332</u>	<u>(2,609)</u>	<u>60,683</u>
	<i>As at 1 January 2021 KD 000's</i>	<i>(Loss) gain recorded in the interim condensed consolidated income statement KD 000's</i>	<i>Loss recorded in other comprehensive income KD 000's</i>	<i>Net purchases, transfer, (sales) and settlements KD 000's</i>	<i>As at 31 December 2021 KD 000's</i>
31 December 2021 (Audited)					
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity investments	7,240	(664)	-	(927)	5,649
Unquoted mutual fund investments	10,405	2,113	-	2,736	15,254
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equity investments	12,637	-	(290)	133	12,480
<i>Investment properties</i>	32,054	(225)	-	(2,158)	29,671
	<u>62,336</u>	<u>1,224</u>	<u>(290)</u>	<u>(216)</u>	<u>63,054</u>

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14 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

	<i>As at 1 January 2021 KD 000's</i>	<i>Gain (loss) recorded in the interim condensed consolidated income statement KD 000's</i>	<i>Loss recorded in other comprehensive income KD 000's</i>	<i>Net purchases, transfer, sales and settlements KD 000's</i>	<i>As at 30 September 2021 KD 000's</i>
<i>30 September 2021</i>					
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity investments	7,240	236	-	(144)	7,332
Unquoted mutual fund investments	10,405	1,017	-	1,383	12,805
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equity investments	12,637	-	250	752	13,639
<i>Investment properties</i>	32,054	(1,743)	-	(2,158)	28,153
	<u>62,336</u>	<u>(490)</u>	<u>250</u>	<u>(167)</u>	<u>61,929</u>

15 BUSINESS COMBINATION

Acquisition during the period

During the period, the Parent Company acquired 95% equity interest in Flick Wholesale and Trading Co. W.L.L (“Flick”). Flick is a limited liability company registered and incorporated in Kuwait and is engaged in wholesale and retail (last mile delivery services).

The acquisition of Flick has been accounted based on the fair values of the identifiable assets and liabilities on the acquisition date as determined by the purchase price allocation exercise (“PPA”).

The consideration paid, fair values of the assets acquired and liabilities recognised are summarised as follows:

	<i>KD 000's</i>
Assets	
Property, plant and equipment	69
Intangible assets	458
Trade receivables	175
Bank balances, cash and deposits	9
	<u>711</u>
Liabilities	
Employees end of service benefits	84
Trade and other payables	813
	<u>897</u>
Fair value of identifiable net assets	(186)
Non-controlling interest	(22)
	<u>(208)</u>
Total fair value of identifiable net assets	(208)

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15 BUSINESS COMBINATION (continued)

Consideration paid	1,500
Goodwill on acquisition	1,708
Consideration settled in cash	1,500
Cash and cash equivalents in subsidiary acquired	(9)
Cash outflow on acquisition	1,491

From the date of acquisition, Flick contributed KD 630 thousand of revenue and loss of KD 240 thousand from continuing operations.

The goodwill of KD 1,708 thousand comprises the fair value of expected synergies arising from acquisition.