

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

30 SEPTEMBER 2023 (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 2023 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three month and nine month 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 preparation 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.

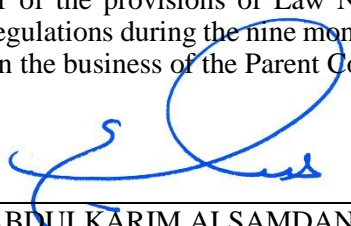
Conclusion

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 2023 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 2023 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

14 November 2023
Kuwait

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

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period ended 30 September 2023

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2023	2022	2023	2022
<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 (loss) gain on financial assets at fair value through profit or loss	(210)	444	74	2,190
Unrealized loss on financial assets at fair value through profit or loss	(2,189)	(4,517)	(6,498)	(3,587)
Gain on sale of investment properties	-	-	-	166
Rental income	301	356	935	1,073
Dividend income	621	597	6,579	8,080
Management, incentive, brokerage, advisory, service and other fees	1,798	2,661	6,407	8,294
Interest income	30	18	471	155
Share of results of associates and joint venture	107	251	684	549
Net gain on sale/liquidation of associate	-	3	-	147
Gain on foreign exchange trading	48	53	300	147
TOTAL INCOME	506	(134)	8,952	17,214
EXPENSES				
Administrative expenses	1,841	3,139	6,632	6,983
Finance costs	434	269	1,242	822
Charge (reversal) of impairment losses and other provisions	1	1	(1,320)	(1)
Gain on foreign currency translation	(123)	(339)	(196)	(706)
TOTAL EXPENSES	2,153	3,070	6,358	7,098
(LOSS) PROFIT BEFORE TAXATION	(1,647)	(3,204)	2,594	10,116
Taxation charge (reversal)	17	170	(7)	(359)
(LOSS) PROFIT FOR THE PERIOD	(1,630)	(3,034)	2,587	9,757
Attributable to:				
Equity holders of the Parent Company	(1,714)	(3,154)	2,514	8,795
Non-controlling interests	84	120	73	962
	(1,630)	(3,034)	2,587	9,757
BASIC AND DILUTED (LOSS) EARNINGS				
PROFIT PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (FILS)				
4	(2.15)	(3.96)	3.15	11.03

The attached notes 1 to 14 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 2023

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2023	2022	2023	2022
	KD 000's	KD 000's	KD 000's	KD 000's
(Loss) profit for the period	(1,630)	(3,034)	2,587	9,757
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	(726)	(2,919)	(5,681)	5,053
Share of other comprehensive (loss) income of associates	(798)	172	(753)	418
	(1,524)	(2,747)	(6,434)	5,471
<i>Items that are or may be reclassified to the interim condensed consolidated income statement in subsequent periods:</i>				
Foreign currency translation adjustments	95	231	137	451
Other comprehensive (loss) income for the period	(1,429)	(2,516)	(6,297)	5,922
Total comprehensive (loss) income for the period	(3,059)	(5,550)	(3,710)	15,679
Attributable to:				
Equity holders of the Parent Company	(3,185)	(5,691)	(3,801)	14,564
Non-controlling interests	126	141	91	1,115
	(3,059)	(5,550)	(3,710)	15,679

The attached notes 1 to 14 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 2023

		30 September 2023	(Audited) 31 December 2022	30 September 2022
	Notes	KD 000's	KD 000's	KD 000's
ASSETS				
Cash and balances with banks and financial institutions		16,569	32,396	25,677
Financial assets at fair value through profit or loss	5	106,401	102,196	109,412
Trading properties		278	278	291
Loans		285	341	376
Financial assets at fair value through other comprehensive income	6	66,313	84,065	82,009
Financial assets held to maturity		-	-	64
Investment in associates and joint venture		11,977	14,160	14,269
Investment properties		28,995	28,995	28,013
Intangible assets		1,234	1,306	1,316
Goodwill	3	1,708	1,708	1,708
Other assets		5,495	5,506	5,488
TOTAL ASSETS		239,255	270,951	268,623
LIABILITIES AND EQUITY				
LIABILITIES				
Bank borrowings	7	37,583	39,003	39,173
Accounts payable and accruals		11,139	14,959	15,325
TOTAL LIABILITIES		48,722	53,962	54,498
EQUITY				
Share capital		79,786	79,786	79,786
Share premium		49,593	49,593	49,593
Statutory reserve		11,199	11,199	10,285
Voluntary reserve		1,130	12,508	12,508
Treasury shares	8	(235)	(235)	(235)
Treasury shares reserve	8	520	520	520
Other reserves		486	486	460
Foreign currency translation reserve		642	557	722
Cumulative changes in fair value		26,930	33,462	30,286
Retained earnings		2,646	10,939	11,298
Equity attributable to the equity holders of the Parent Company		172,697	198,815	195,223
Non-controlling interests		17,836	18,174	18,902
TOTAL EQUITY		190,533	216,989	214,125
TOTAL LIABILITIES AND EQUITY		239,255	270,951	268,623


Bader Naser Al Kharafi
Chairman


Fahad Abdulrahman Al-Mukhaizim
Board Member & Chief Executive Officer

The attached notes 1 to 14 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 2023

	<i>Attributable to equity holders of the Parent Company</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>Non-controlling interests</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>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>KD 000's</i>
Balance at 1 January 2023 (<i>Audited</i>)	79,786	49,593	11,199	12,508	(235)	520	486	557	33,462	10,939	198,815	18,174	216,989
Profit for the period	-	-	-	-	-	-	-	-	-	2,514	2,514	73	2,587
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	85	(6,400)	-	(6,315)	18	(6,297)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	85	(6,400)	2,514	(3,801)	91	(3,710)
Transfer of on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	(132)	132	-	-	-
Dividend (Note 9)	-	-	-	(11,378)	-	-	-	-	-	(10,939)	(22,317)	-	(22,317)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(331)	(331)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(98)	(98)
Balance at 30 September 2023	79,786	49,593	11,199	1,130	(235)	520	486	642	26,930	2,646	172,697	17,836	190,533

The attached notes 1 to 14 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 2023

	<i>Attributable to equity holders of the Parent Company</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>Non-controlling interests</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>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>KD 000's</i>
Balance at 1 January 2022 (Audited)	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 for the period	-	-	-	-	-	-	-	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 14 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 2023

	<i>Nine months ended 30 September</i>	
	2023	2022
	KD 000's	KD 000's
OPERATING ACTIVITIES		
Profit before taxation	2,594	10,116
Adjustments for:		
Unrealized loss on financial assets at fair value through profit or loss	6,498	3,587
Dividend income	(6,579)	(8,080)
Interest income	(471)	(155)
Gain on sale of investment properties	-	(166)
Share of results of associates and Joint venture	(684)	(549)
Net gain on sale/liquidation of associate	-	(147)
Finance costs	1,242	822
Depreciation and amortization	233	239
Reversal of impairment losses and other provisions	(1,320)	(1)
	1,513	5,666
<i>Changes in operating assets and liabilities:</i>		
Financial assets at fair value through profit or loss	(10,703)	(1,790)
Other assets	114	559
Accounts payable and accruals	(76)	(485)
	(9,152)	3,950
Cash flows used in operations	471	155
Interest income received	(236)	(1,020)
Taxes paid	(105)	(150)
Director's fees paid	6,573	8,068
Dividend income received		
Net cash flows (used in) from operating activities	(2,449)	11,003
INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(5,520)	(17,412)
Proceeds from sale of financial assets at fair value through other comprehensive income	17,591	22,504
Proceeds from sale of investment properties	-	1,824
Proceeds from sale of associate / capital reduction	1,431	7,416
Additions to investment in associates	(1,341)	-
Dividends received from associates	2,046	319
Capital distribution received from associates	-	400
Acquisition of a subsidiary, net of cash acquired	-	(1,491)
Net movement in fixed deposits	1,100	200
Net movement in loans	56	(319)
Purchase of financial assets held to maturity	-	(64)
Purchase of fixed assets	(262)	(149)
Net cash flows from investing activities	15,101	13,228
FINANCING ACTIVITIES		
Bank borrowing availed	2,000	-
Repayment of bank borrowings	(3,420)	(1,310)
Purchase of treasury shares	-	(235)
Finance costs paid	(1,209)	(804)
Dividends paid to non-controlling interests	(331)	(1,060)
Movement in non-controlling interests	(98)	28
Dividends paid	(24,321)	(34,338)
Net cash flows used in financing activities	(27,379)	(37,719)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,727)	(13,488)
Cash and cash equivalents at 1 January	31,296	37,765
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	16,569	24,277
Cash and cash equivalents comprise of:		
Cash and balances with banks and financial institutions	16,569	25,677
Less: Term deposits with an original maturity of more than three months	-	(1,400)
	16,569	24,277

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.

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

As at and for the period ended 30 September 2023

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 1 May 2023 approved the consolidated financial statements for the year ended 31 December 2022.

The interim condensed consolidated financial information for the period ended 30 September 2023 were authorized for issue in accordance with a resolution of the Parent Company’s Board of Directors on 14 November 2023.

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 2022 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”) on credit facilities (i.e. loans) to be measured at higher of the amount 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”) (collectively referred to as IFRS as adopted by CBK for use by the State of Kuwait).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

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 2022.

Operating results for the nine months ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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 2022.

The Group has not early adopted any other standard, interpretation or amendment that has been issued or not yet effective. Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2023 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>30 September 2023</i>	<i>Holding % (Audited) 31 December 2022</i>	<i>30 September 2022</i>	<i>Principal Activities</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 Wholesale and retail (Last mile Logistic)
Flick Wholesale and Trading Company W.L.L. (“Flick”)*	Kuwait	95.00	95.00	95.00	Investment & Real estate
National Investments Real Estate Co. WLL	Kuwait	99.00	-	-	Property development
National Investment Company S.A.L.	Lebanon	100	100	100	Investments
National Investment Co. Holding S.A.L.	Lebanon	99.00	99.00	99.00	Investments
Al Mada Investment Fund (“Al Mada”)	Bahrain	49.48	48.88	49.42	Investments
NIC Pipe	Cayman Island	92.50	92.50	92.50	Investments
NIC Technology Ventures 2 Ltd	British Virgin Islands	69.00	69.00	69.00	Investments
<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

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 2023

3 SUBSIDIARY COMPANIES (continued)

		30 September 2023	31 December 2022	30 September 2022	Principal Activities
<i>Indirectly held through Flick</i>					
Al Ameen Consumer Goods Delivery Co. W.L.L	Kuwait	99.99	99.99	100	Goods delivery
<i>Indirectly held through MENA</i>					
Colony/MENA Holdings L.P.	Guernsey	99.99	99.99	99.99	Investments
Colony/MENA Holdings, Limited	Guernsey	100	100	100	Investments

*During the previous year, 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”) which resulted in goodwill of KD 1,708 thousand.

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.

	Three months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
(Loss) profit for the period attributable to equity holders of the Parent Company (KD 000's)	(1,714)	(3,154)	2,514	8,795
Weighted average number of shares outstanding during the period	797,021,540	797,021,540	797,021,540	797,525,068
Basic and diluted (loss) earnings per share (fils)	(2.15)	(3.96)	3.15	11.03

There have been no transactions involving ordinary shares between the reporting date and the date of authorization of this interim condensed consolidated financial information which would require the restatement of EPS.

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2023 KD 000's	(Audited) 31 December 2022 KD 000's	30 September 2022 KD 000's
Quoted securities *	43,531	36,187	42,758
Unquoted equity investments (includes private equity investments)	2,950	3,595	3,577
Unquoted mutual fund investments (investing in quoted and unquoted securities)	59,920	62,414	63,077
	106,401	102,196	109,412

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

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

*During the period the Group terminated the security lending agreement ('Contract') with an external party in which shares of a quoted security were lent. The external party has returned the shares as per contractual terms.

Unquoted equity investments are fair valued using fair valuation techniques which resulted in a loss due to change in fair value of KD 662 thousand during the period recorded in interim condensed consolidated income statement (31 December 2022: loss due to change in fair value of KD 290 thousand and 30 September 2022: gain due to change in fair value of KD 381 thousand).

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.

Certain financial assets at fair value through profit or loss amounting to KD 10,444 thousand (31 December 2022: KD 11,138 thousand and 30 September 2022: KD 11,260 thousand) are collateralized against bank borrowings (Note 7).

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>30 September 2023 KD 000's</i>	<i>(Audited) 31 December 2022 KD 000's</i>	<i>30 September 2022 KD 000's</i>
Quoted equity investments*	55,062	73,179	70,333
Unquoted equity investments	11,251	10,886	11,676
	<u>66,313</u>	<u>84,065</u>	<u>82,009</u>

*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 20% has been applied as at 30 September 2023 (31 December 2022: 20 % and 30 September 2022: 27.5%) to arrive at the fair value in accordance with IFRS 13. The Parent Company will assess its position periodically at the end of each reporting period and factor in the appropriate level of discount.

Certain financial assets at fair value through other comprehensive income amounting to KD 4,877 thousand (31 December 2022: KD 6,103 thousand and 30 September 2022: KD 6,095 thousand) are collateralized against bank borrowings (Note 7).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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As at and for the period ended 30 September 2023

7 BANK BORROWINGS

	30 September 2023	<i>(Audited)</i> 31 December 2022	30 September 2022
	KD 000's	KD 000's	KD 000's
Secured borrowings:			
- Due within one year	14,653	8,903	5,483
- Due after one year	20,930	30,100	33,690
Unsecured borrowings:			
- Due within one year	2,000	-	-
	37,583	39,003	39,173

Bank borrowings carry interest rates ranging from 5.20% to 5.75% (31 December 2022: 3.75% to 5 % and 30 September 2022: 3.95% to 4.5%).

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.

8 TREASURY SHARES

	30 September 2023	<i>(Audited)</i> 31 December 2022	30 September 2022
Number of shares	840,563	840,563	840,563
Percentage of issued shares	0.11%	0.11%	0.11%
Cost (in KD thousand)	235	235	235
Market value (in KD thousand)	192	199	194
Weighted average market value per share (fils)	226	315	320

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.

9 DIVIDEND DISTRIBUTIONS

The AGM of the shareholders for the year 2022 held on 1 May 2023 approved cash dividend of 28 fils per share amounting to KD 22,317 thousand from retained earnings and partly from voluntary reserves representing 28% of the paid-up share capital and was paid during the period.

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 and was paid during the period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

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 30 September</i>		<i>Nine months ended 30 September</i>	
	2023	2022	2023	2022
	KD 000's	KD 000's	KD 000's	KD 000's
Included in the interim condensed consolidated income statement:				
Management and advisory fees (others)	476	801	1,594	2,340
Management and advisory fees (associates)	2	-	7	35
Rental income (others)	32	-	132	3
Management and advisory fees (shareholder)	16	(4)	16	(35)
Interest (Director)	1	-	4	-
Interest (associates)	-	1	-	1

	<i>(Audited)</i>	
	<i>30 September 2023</i>	<i>31 December 2022</i>
	KD 000's	KD 000's

Included in interim condensed consolidated statement of financial position:

Other assets (others)	479	791	770
Other assets (associates)	27	74	19
Loans (others)	100	100	70

Compensation of key management personnel

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

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2023	2022	2023	2022
	KD 000's	KD 000's	KD 000's	KD 000's
Salaries and short-term benefits	176	208	801	1,364
Employees' end of service benefits	23	96	73	152
	199	304	874	1,516

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 reporting systems.

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 2023

11 SEGMENT INFORMATION (continued)

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

	<i>Investment KD 000's</i>	<i>Treasury KD 000's</i>	<i>Real estate KD 000's</i>	<i>Asset management, advisory and brokerage KD 000's</i>	<i>Unallocated KD 000's</i>	<i>Total KD 000's</i>
30 September 2023						
Segment revenues	917	700	935	6,400	-	8,952
Segment results	(424)	(662)	(267)	3,947	-	2,594
Segment assets	196,575	3,426	29,914	8,670	670	239,255
Segment liabilities	2,136	35,367	2,555	719	7,945	48,722
30 September 2022						
Segment revenues	7,473	246	1,241	8,254	-	17,214
Segment results	6,327	(764)	35	4,518	-	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

12 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 September 2023 KD 000's</i>	<i>(Audited) 31 December 2022 KD 000's</i>	<i>30 September 2022 KD 000's</i>
Capital commitments towards investments and other assets	9,872	11,316	11,571
Bank guarantees	280	268	268
Unsold borrowed shares*	-	607	535
	10,152	12,191	12,374

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.

*During the period the borrowed shares from a related party for Market Maker activity were returned in full. As of 31 December 2022 and 30 September 2022, these borrowed shares were being held by the Parent Company.

13 FIDUCIARY

The Parent Company 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 1,060,352 thousand (31 December 2022: KD 1,121,451 thousand and 30 September 2022: KD 1,167,826 thousand). The total income earned from trust and other fiduciary activities amount to KD 2,628 thousand (30 September 2022: KD 3,144 thousand).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

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.

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>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
30 September 2023	Total KD 000's	KD 000's	KD 000's	KD 000's
Assets measured at fair value				
<i>Financial assets at fair value through profit or loss</i>				
Quoted securities	43,531	43,531	-	-
Unquoted equity investments (includes private equity investments)	2,950	-	-	2,950
Unquoted mutual fund investments (investing in quoted and unquoted investments)	59,920	-	43,156	16,764
<i>Financial assets at fair value through other comprehensive income</i>				
Quoted equity investments	55,062	12,391	42,671	-
Unquoted equity investments	11,251	-	-	11,251
<i>Investment properties</i>	28,995	-	-	28,995
<i>Forward foreign exchange contracts</i>	-	-	-	-
Assets measured at cost while fair value is disclosed				
<i>Trading properties*</i>	278	-	280	-
	201,987	55,922	86,107	59,960
Liabilities measured at fair value				
<i>Forward foreign exchange contracts</i>	-	-	-	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

14 FAIR VALUE MEASUREMENT (continued)**Fair value hierarchy (continued)**

	Fair value measurement using			
	Quoted prices in active markets (Level 1) KD 000's	Significant observable inputs (Level 2) KD 000's	Significant unobservable inputs (Level 3) KD 000's	
31 December 2022 (Audited)				
Assets measured at fair value				
Financial assets at fair value through profit or loss:				
Quoted securities (including loaned security)	36,187	36,187	-	-
Unquoted equity investments (including private equity investments)	3,595	-	-	3,595
Unquoted mutual fund investments (investing in quoted and unquoted investments)	62,414	-	45,539	16,875
Financial assets at fair value through other comprehensive income:				
Quoted equity investments	73,179	25,683	47,496	-
Unquoted equity investments	10,886	-	-	10,886
Investment properties	28,995	-	-	28,995
Assets measured at cost while fair value is disclosed				
Trading properties*	278	-	278	-
	215,534	61,870	93,313	60,351
Liabilities measured at fair value				
Forward foreign exchange contracts	-	-	-	-
30 September 2022				
Assets measured at fair value				
Financial assets at fair value through profit or loss				
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
Financial assets at fair value through other comprehensive income				
Quoted equity investments	70,333	26,916	43,417	-
Unquoted equity investments	11,676	-	-	11,676
Investment properties	28,013	-	-	28,013
Forward foreign exchange contracts	15	-	15	-
Assets measured at cost while fair value is disclosed				
Trading properties*	291	-	291	-
	219,740	69,674	89,383	60,683
Liabilities measured at fair value				
Forward foreign exchange contracts	15	-	15	-

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As at and for the period ended 30 September 2023

14 FAIR VALUE MEASUREMENT (continued)**Fair value hierarchy (continued)**

* The fair value of the trading properties measured at cost is KD 321 thousand (31 December 2022: KD 318 thousand and 30 September 2022: KD 332 thousand).

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 2023 KD 000's</i>	<i>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 2023 KD 000's</i>
30 September 2023					
Financial assets at fair value through profit or loss:					
Unquoted equity investments (including private equity investments)	3,595	(662)	-	17	2,950
Unquoted mutual fund investments (investing in unquoted securities)	16,875	(462)	-	351	16,764
Financial assets at fair value through other comprehensive income:					
Unquoted equity investments	10,886	-	(98)	463	11,251
Investment properties	28,995	-	-	-	28,995
	<u>60,351</u>	<u>(1,124)</u>	<u>(98)</u>	<u>831</u>	<u>59,960</u>

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INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

14 FAIR VALUE MEASUREMENT (continued)

	<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>Gain 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>
<i>30 September 2022</i>					
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity investments (including private equity investments)	5,649	42	-	(2,114)	3,577
Unquoted mutual fund investments (investing in unquoted securities)	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>