

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION**

**31 MARCH 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 31 March 2023 and the related interim condensed consolidated income statement, 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 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.

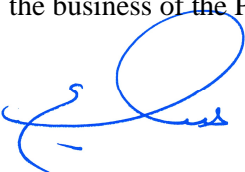
### *Conclusion*

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 three months period ended 31 March 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 three months period ended 31 March 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

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AL AIBAN AL OSAIMI & PARTNERS

14 May 2023

Kuwait

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

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period ended 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2023</b>	<b>2022</b>
<i>Note</i>	<b>KD 000's</b>	<b>KD 000's</b>
<b>INCOME</b>		
Realized (loss)/ gain on financial assets at fair value through profit or loss	<b>(168)</b>	505
Unrealized (loss)/ gain on financial assets at fair value through profit or loss	<b>(4,645)</b>	15,538
Rental income	<b>295</b>	380
Dividend income	<b>3,200</b>	762
Management, incentive, brokerage, advisory and service fees	<b>2,339</b>	2,492
Interest income	<b>257</b>	68
Share of results of associates and joint venture	<b>636</b>	133
Gain on foreign exchange trading	<b>180</b>	41
<b>TOTAL INCOME</b>	<b>2,094</b>	19,919
<b>EXPENSES</b>		
Administrative expenses	<b>2,153</b>	2,105
Finance costs	<b>431</b>	257
Reversal of impairment losses and other provisions	<b>(1,320)</b>	(4)
Gain on foreign currency translation	<b>(53)</b>	(140)
<b>TOTAL EXPENSES</b>	<b>1,211</b>	2,218
<b>PROFIT BEFORE TAXATION</b>	<b>883</b>	17,701
Taxation	<b>-</b>	(729)
<b>PROFIT FOR THE PERIOD</b>	<b>883</b>	16,972
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>1,074</b>	15,409
Non-controlling interests	<b>(191)</b>	1,563
	<b>883</b>	16,972
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (FILS)</b>	<b>1.3</b>	19.3

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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 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2023</b>	<b>2022</b>
	<b>KD 000's</b>	<b>KD 000's</b>
<b>Profit for the period</b>	<b>883</b>	<b>16,972</b>
<b>Other comprehensive (loss)/ income:</b>		
<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	<b>(6,557)</b>	19,118
Share of other comprehensive (loss) / income of associates	<b>(584)</b>	108
	<b>(7,141)</b>	19,226
<i>Items that are or may be reclassified to the interim condensed consolidated income statement in subsequent periods:</i>		
Foreign currency translation adjustments	<b>18</b>	59
Other comprehensive (loss)/ income for the period	<b>(7,123)</b>	19,285
<b>Total comprehensive (loss)/ income for the period</b>	<b>(6,240)</b>	<b>36,257</b>
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>(5,957)</b>	34,539
Non-controlling interests	<b>(283)</b>	1,718
	<b>(6,240)</b>	<b>36,257</b>

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 31 March 2023

		<i>(Audited)</i>	
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
<b>ASSETS</b>			
Cash and balances with banks and financial institutions	29,620	32,396	30,793
Financial assets at fair value through profit or loss	5 109,178	102,196	134,442
Trading properties	278	278	284
Loans	328	341	-
Financial assets at fair value through other comprehensive income	6 65,257	84,065	103,927
Investment in associates and joint venture	15,546	14,160	21,430
Investment properties	28,995	28,995	29,671
Intangible assets	1,287	1,306	943
Goodwill	3 1,708	1,708	-
Other assets	8,487	5,506	7,138
<b>TOTAL ASSETS</b>	<b>260,684</b>	<b>270,951</b>	<b>328,628</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Bank borrowings	7 39,003	39,003	40,483
Accounts payable and accruals	10,941	14,959	16,260
<b>TOTAL LIABILITIES</b>	<b>49,944</b>	<b>53,962</b>	<b>56,743</b>
<b>EQUITY</b>			
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	12,508	12,508	22,693
Treasury shares	8 (235)	(235)	-
Treasury shares reserve	8 520	520	520
Other reserves	486	486	460
Foreign currency translation reserve	571	557	480
Cumulative changes in fair value	26,326	33,462	45,447
Retained earnings	12,104	10,939	42,073
<b>Equity attributable to the equity holders of the Parent Company</b>	<b>192,858</b>	<b>198,815</b>	<b>251,337</b>
Non-controlling interests	17,882	18,174	20,548
<b>TOTAL EQUITY</b>	<b>210,740</b>	<b>216,989</b>	<b>271,885</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>260,684</b>	<b>270,951</b>	<b>328,628</b>



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 31 March 2023

	<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>Treasury shares reserve 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 2023 (Audited)	79,786	49,593	11,199	12,508	(235)	520	486	557	33,462	10,939	198,815	18,174	216,989
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	1,074	1,074	(191)	883
Other comprehensive income/ (loss) for the period	-	-	-	-	-	-	-	14	(7,045)	-	(7,031)	(92)	(7,123)
Total comprehensive income/ (loss) for the period	-	-	-	-	-	-	-	14	(7,045)	1,074	(5,957)	(283)	(6,240)
Transfer of on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	-	(91)	91	-	-	-
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(9)	(9)
<b>Balance at 31 March 2023</b>	<b>79,786</b>	<b>49,593</b>	<b>11,199</b>	<b>12,508</b>	<b>(235)</b>	<b>520</b>	<b>486</b>	<b>571</b>	<b>26,326</b>	<b>12,104</b>	<b>192,858</b>	<b>17,882</b>	<b>210,740</b>

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 31 March 2023

	<i>Attributable to equity holders of the Parent Company</i>											
	<i>Share capital</i> <i>KD 000's</i>	<i>Share premium</i> <i>KD 000's</i>	<i>Statutory reserve</i> <i>KD 000's</i>	<i>Voluntary reserve</i> <i>KD 000's</i>	<i>Treasury shares reserve</i> <i>KD 000's</i>	<i>Other reserves</i> <i>KD 000's</i>	<i>Foreign currency translation reserve</i> <i>KD 000's</i>	<i>Cumulative changes in fair value</i> <i>KD 000's</i>	<i>Retained earnings</i> <i>KD 000's</i>	<i>Sub total</i> <i>KD 000's</i>	<i>Non-controlling interests</i> <i>KD 000's</i>	<i>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	-	-	-	-	-	-	-	-	15,409	15,409	1,563	16,972
Other comprehensive income for the period	-	-	-	-	-	-	24	19,106	-	19,130	155	19,285
Total comprehensive income	-	-	-	-	-	-	24	19,106	15,409	34,539	1,718	36,257
Transfer of on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	(945)	945	-	-	-
Partial disposal of subsidiary without loss of control	-	-	-	-	-	20	-	-	-	20	-	20
Movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	36	36
Balance at 31 March 2022	79,786	49,593	10,285	22,693	520	460	480	45,447	42,073	251,337	20,548	271,885

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 31 March 2023

	<i>Three months ended</i> <i>31 March</i>	
	<b>2023</b> <b>KD 000's</b>	<b>2022</b> <b>KD 000's</b>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	<b>883</b>	17,701
Adjustments for:		
Unrealized loss/ (gain) on financial assets at fair value through profit or loss	<b>4,645</b>	(15,538)
Dividend income	<b>(3,200)</b>	(762)
Interest income	<b>(257)</b>	(68)
Share of results of associates and Joint venture	<b>(636)</b>	(133)
Finance costs	<b>431</b>	257
Depreciation and amortization	<b>76</b>	84
(Reversal of) impairment losses and other provisions	<b>(1,320)</b>	(4)
	<b>622</b>	1,537
<i>Changes in operating assets and liabilities:</i>		
Financial assets at fair value through profit or loss	<b>(11,627)</b>	(7,695)
Other assets	<b>(59)</b>	(1,208)
Accounts payable and accruals	<b>(331)</b>	823
Cash flows used in operations	<b>(11,395)</b>	(6,543)
Interest income received	<b>257</b>	68
Dividend income received	<b>450</b>	600
<b>Net cash flows used in operating activities</b>	<b>(10,688)</b>	(5,875)
<b>INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	<b>(1,440)</b>	(8,432)
Proceeds from sale of financial assets at fair value through other comprehensive income	<b>13,691</b>	5,671
Additions to investment in associates	<b>(1,341)</b>	-
Dividends received from associates	<b>21</b>	28
Net movement in fixed deposits	<b>1,100</b>	(550)
Net loans repaid during the period	<b>13</b>	-
Fixed assets purchased	<b>(233)</b>	-
<b>Net cash flows from/ (used in) investing activities</b>	<b>11,811</b>	(3,283)
<b>FINANCING ACTIVITIES</b>		
Finance costs paid	<b>(386)</b>	-
Movement in non-controlling interests	<b>(9)</b>	36
Dividends paid	<b>(2,404)</b>	-
<b>Net cash flows (used in)/ from financing activities</b>	<b>(2,799)</b>	36
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,676)</b>	(9,122)
Cash and cash equivalents at 1 January	<b>31,296</b>	37,765
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>29,620</b>	28,643
<b>Cash and cash equivalents comprise of:</b>		
Cash and balances with banks and financial institutions	<b>29,620</b>	28,643
Less: Term deposits with an original maturity of more than three months	<b>-</b>	2,150
	<b>29,620</b>	30,793

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 31 March 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 31 March 2023 were authorized for issue in accordance with a resolution of the Parent Company’s Board of Directors on 14 May 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 31 March 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 three months ended 31 March 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>Holding % (Audited)</i>			<i>Principal Activities</i>
		<i>31 March 2023</i>	<i>31 December 2022</i>	<i>31 March 2022</i>	
<i><b>Directly held</b></i>					
MENA Capital Holding Company K.S.C. (Closed) (“MENA”)	Kuwait	<b>59.33</b>	59.33	59.33	Investments
International Infrastructure Holding Co. K.S.C. (Closed)	Kuwait	<b>99.00</b>	99.00	99.00	Investments
Al Waseet Financial Business Company K.S.C. (Closed) (“Waseet”)	Kuwait	<b>65.17</b>	65.17	65.17	Investment brokerage services
Al-Bawaba Al-Watania General Trading & Cont. Co. W.L.L.	Kuwait	<b>99.00</b>	99.00	99.00	Trading and Contracting
National Gate for Computer Systems Company K.S.C. (Closed)	Kuwait	<b>99.33</b>	99.33	99.33	Information technology
Flick Wholesale and Trading Company. W.L.L. (“Flick”)*	Kuwait	<b>95.00</b>	95.00	95.00	Wholesale and retail (Last mile Logistic)
National Investments Real Estate Co. WLL	Kuwait	<b>100</b>	-	-	Investment & Real estate
National Investment Company S.A.L. **	Lebanon	<b>100</b>	100	100	Property development
National Investment Co. Holding S.A.L. **	Lebanon	<b>99.00</b>	99.00	99.00	Investments
Al Mada Investment Fund (“Al Mada”)	Bahrain	<b>49.03</b>	48.88	49.04	Investments
NIC Pipe	Cayman Island	<b>92.50</b>	92.50	92.50	Investments
NIC Technology Ventures Ltd	British Virgin Islands	<b>69.00</b>	69.00	69.00	Investments
<i><b>Indirectly held through Waseet</b></i>					
Al Nugoua For General Trading Company W.L.L.	Kuwait	<b>99.00</b>	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 31 March 2023

### 3 SUBSIDIARY COMPANIES (continued)

#### *Indirectly held through Flick*

Al Ameen Consumer Goods Delivery Co. W.L.L	Kuwait	<b>99.99</b>	99.99	99.00	Goods delivery
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#### *Indirectly held through MENA*

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

\*\*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 EARNINGS PER SHARE

Basic and diluted earnings per share is computed by dividing the 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 31 March</i>	
	<b>2023</b>	<b>2022</b>
Profit for the period attributable to equity holders of the Parent Company (KD 000’s)	<b>1,074</b>	15,409
Weighted average number of shares outstanding during the period	<b>797,021,540</b>	797,862,103
Basic and diluted earnings per share (fils)	<b>1.3</b>	19.3

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

### 5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>(Audited)</i>		
	<b>31 March 2023</b>	<b>31 December 2022</b>	<b>31 March 2022</b>
	<b>KD 000’s</b>	<b>KD 000’s</b>	<b>KD 000’s</b>
Quoted securities (including loaned security) *	<b>46,205</b>	36,187	59,637
Unquoted equity investments (includes private equity investments)	<b>2,991</b>	3,595	4,904
Unquoted mutual fund investments (investing in quoted and unquoted securities)	<b>59,982</b>	62,414	69,901
	<b>109,178</b>	102,196	134,442

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

As at and for the period ended 31 March 2023

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

\* 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 897 thousand (31 December 2022: KD 1,026 thousand and 31 March 2022: KD 1,355 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 604 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 31 March 2022: gain due to change in fair value of KD 32 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 10,364 thousand (31 December 2022: KD 11,138 thousand and 31 March 2022: KD 13,035 thousand) are collateralised against bank borrowings (Note 7).

**6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<b>31 March 2023 KD 000's</b>	<b>(Audited) 31 December 2022 KD 000's</b>	<b>31 March 2022 KD 000's</b>
Quoted equity investments*	<b>53,662</b>	73,179	91,181
Unquoted equity investments	<b>11,595</b>	10,886	12,746
	<b><u>65,257</u></b>	<u>84,065</u>	<u>103,927</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 31 March 2023 (31 December 2022: 20 % and 31 March 2022: 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.

Certain financial assets at fair value through other comprehensive income amounting to KD 4,968 thousand (31 December 2022: KD 6,103 thousand and 31 March 2022: KD 7,165 thousand) are collateralised 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 INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

**7 BANK BORROWINGS**

	<b>31 March 2023</b>	<i>(Audited)</i> <b>31 December 2022</b>	<b>31 March 2022</b>
	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>
Secured borrowings:			
- Due within one year	<b>8,903</b>	8,903	6,793
- Due after one year	<b>30,100</b>	30,100	33,690
	<b>39,003</b>	39,003	40,483

Bank borrowings carry interest rates ranging from 3.75% to 5.5% (31 December 2022: 3.75% to 5 % and 31 March 2022: 2.45% to 3.25%).

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**

	<b>31 March 2023</b>	<i>(Audited)</i> <b>31 December 2022</b>	<b>31 March 2022</b>
Number of shares	<b>840,563</b>	840,563	-
Percentage of issued shares	<b>0.11%</b>	0.11%	-
Cost (in KD thousand)	<b>235</b>	235	-
Market value (in KD thousand)	<b>202</b>	199	-
Weighted average market value per share (fils)	<b>239</b>	315	-

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.

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.

**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 31 March</i>	
	<b>2023</b>	<b>2022</b>
	<b>KD 000's</b>	<b>KD 000's</b>
<b>Included in the interim condensed consolidated income statement:</b>		
Management and advisory fees (others)	<b>628</b>	757
Management and advisory fees (associates)	-	18
Rental income (others)	<b>32</b>	-
Management, incentive, brokerage and advisory fees (shareholder)	-	(16)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

**10 RELATED PARTIES DISCLOSURES (continued)**

	<i>31 March 2023 KD 000's</i>	<i>(Audited) 31 December 2022 KD 000's</i>	<i>31 March 2022 KD 000's</i>
<b>Included in interim condensed consolidated statement of financial position:</b>			
Other assets (others)	727	791	782
Other assets (associates)	21	74	39
Loans (others)	100	100	-

**Compensation of key management personnel**

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

	<i>Three months ended 31 March</i>	
	<i>2023 KD 000's</i>	<i>2022 KD 000's</i>
Salaries and short-term benefits	216	245
Employees' end of service benefits	24	29
	<b>240</b>	<b>274</b>

**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.

# 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 31 March 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>
<b>31 March 2023</b>						
Segment revenues	(951)	418	295	2,332	-	2,094
Segment results	(1,285)	(123)	(88)	2,379	-	883
Segment assets	201,340	19,536	29,857	9,111	840	260,684
Segment liabilities	2,079	36,800	2,574	661	7,830	49,944
<b>31 March 2022</b>						
Segment revenues	16,962	92	380	2,485	-	19,919
Segment results	16,258	(279)	11	1,724	(742)	16,972
Segment assets	271,633	18,062	30,687	7,663	583	328,628
Segment liabilities	1,580	36,804	4,676	2,400	11,283	56,743

### 12 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>31 March 2023 KD 000's</i>	<i>(Audited) 31 December 2022 KD 000's</i>	<i>31 March 2022 KD 000's</i>
Capital commitments towards investments and other assets	10,249	11,316	11,059
Bank guarantees	280	268	268
Unsold borrowed shares*	548	607	729
	<b>11,077</b>	<b>12,191</b>	<b>12,056</b>

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

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 1,089,738 thousand (31 December 2022: KD 1,121,451 thousand and 31 March 2022: KD 1,310,743 thousand). The total income earned from trust and other fiduciary activities amount to KD 940 thousand (31 March 2022: KD 1,004 thousand).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 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>Total</i>	<i>Quoted</i>	<i>Significant</i>	<i>Significant</i>
	<i>KD 000's</i>	<i>prices in</i>	<i>observable</i>	<i>unobservable</i>
<b>31 March 2023</b>		<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>
<b>Assets measured at fair value</b>				
<i>Financial assets at fair value through profit or loss</i>				
Quoted securities (including loaned security)	<b>46,205</b>	<b>46,205</b>	-	-
Unquoted equity investments (includes private equity investments)	<b>2,991</b>	-	-	<b>2,991</b>
Unquoted mutual fund investments (investing in quoted and unquoted investments)	<b>59,982</b>	-	<b>43,501</b>	<b>16,481</b>
<i>Financial assets at fair value through other comprehensive income</i>				
Quoted equity investments	<b>53,662</b>	<b>12,148</b>	<b>41,514</b>	-
Unquoted equity investments	<b>11,595</b>	-	-	<b>11,595</b>
<i>Investment properties</i>	<b>28,995</b>	-	-	<b>28,995</b>
<i>Forward foreign exchange contracts</i>	<b>40</b>	-	<b>40</b>	-
<b>Assets measured at cost while fair value is disclosed</b>				
<i>Trading properties*</i>	<b>278</b>	-	<b>278</b>	-
	<b>203,748</b>	<b>58,353</b>	<b>85,333</b>	<b>60,062</b>
<b>Liabilities measured at fair value</b>				
<i>Forward foreign exchange contracts</i>	<b>41</b>	-	<b>41</b>	-



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 31 March 2023

**14 FAIR VALUE MEASUREMENT (continued)**

**Fair value hierarchy (continued)**

	Fair value measurement using			
	Total KD 000's	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	-
	<u>215,534</u>	<u>61,870</u>	<u>93,313</u>	<u>60,351</u>
Liabilities measured at fair value				
Forward foreign exchange contracts	-	-	-	-
31 March 2022				
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Quoted securities (including loaned security)	59,637	59,637	-	-
Unquoted equity investments (includes private equity investments)	4,904	-	-	4,904
Unquoted mutual fund investments (investing in quoted and unquoted investments)	69,901	-	53,875	16,026
Financial assets at fair value through other comprehensive income				
Quoted equity investments	91,181	40,214	50,967	-
Unquoted equity investments	12,746	-	-	12,746
Investment properties	29,671	-	-	29,671
Forward foreign exchange contracts	82	-	82	-
Assets measured at cost while fair value is disclosed				
Trading properties*	284	-	284	-
	<u>268,406</u>	<u>99,851</u>	<u>105,208</u>	<u>63,347</u>
Liabilities measured at fair value				
Forward foreign exchange contracts	84	-	84	-

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

As at and for the period ended 31 March 2023

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

\* The fair value of the trading properties measured at cost is KD 318 thousand (31 December 2022: KD 318 thousand and 31 March 2022: KD 323 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 31 March 2023 KD 000's</i>
<b>31 March 2023</b>					
<b>Financial assets at fair value through profit or loss:</b>					
Unquoted equity investments (including private equity investments)	3,595	(604)	-	-	2,991
Unquoted mutual fund investments (investing in unquoted securities)	16,875	(394)	-	-	16,481
<b>Financial assets at fair value through other comprehensive income:</b>					
Unquoted equity investments	10,886	-	(101)	810	11,595
<b>Investment properties</b>	<b>28,995</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,995</b>
	<b>60,351</b>	<b>(998)</b>	<b>(101)</b>	<b>810</b>	<b>60,062</b>

	<i>As at 1 January 2022 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 31 March 2022 KD 000's</i>
<b>31 March 2022</b>					
<b>Financial assets at fair value through profit or loss:</b>					
Unquoted equity investments	5,649	(26)	-	(719)	4,904
Unquoted mutual fund investments	15,254	(459)	-	1,231	16,026
<b>Financial assets at fair value through other comprehensive income:</b>					
Unquoted equity investments	12,480	-	(93)	359	12,746
<b>Investment properties</b>	<b>29,671</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,671</b>
	<b>63,054</b>	<b>(485)</b>	<b>(93)</b>	<b>871</b>	<b>63,347</b>

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