

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

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

We further report that, during the course of our review, to the best of our knowledge and belief we have not become aware of any violations of the provisions of Law No. 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 establishment of Capital Markets Authority “CMA” and its executive regulations, as amended, during the three months period ended 31 March 2024 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

6 May 2024
Kuwait

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

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period ended 31 March 2024

| | Notes | Three months ended 31 March | |
|--|-------|--------------------------------|------------------|
| | | 2024 KD 000's | 2023 KD 000's |
| INCOME | | | |
| Realized gain (loss) on financial assets at fair value through profit or loss | | 465 | (168) |
| Unrealized gain (loss) on financial assets at fair value through profit or loss | | 4,648 | (4,645) |
| Changes in fair value of investment properties | | (9) | - |
| Rental income | | 290 | 295 |
| Dividend income | | 512 | 3,200 |
| Management, incentive, brokerage, advisory, service and other fees | | 2,351 | 2,339 |
| Interest income | | 106 | 257 |
| Share of results of associates and joint venture | | (20) | 636 |
| Gain on foreign exchange trading | | 41 | 180 |
| TOTAL INCOME | | 8,384 | 2,094 |
| EXPENSES | | | |
| Administrative expenses | | 2,626 | 2,153 |
| Finance costs | | 631 | 431 |
| Charge (reversal) of impairment losses and other provisions | | 454 | (1,320) |
| Loss (gain) on foreign currency translation | | 75 | (53) |
| TOTAL EXPENSES | | 3,786 | 1,211 |
| PROFIT BEFORE TAXATION | | 4,598 | 883 |
| Taxation charge | 4 | (159) | - |
| PROFIT FOR THE PERIOD | | 4,439 | 883 |
| Attributable to: | | | |
| Equity holders of the Parent Company | | 4,101 | 1,074 |
| Non-controlling interests | | 338 | (191) |
| | | 4,439 | 883 |
| BASIC AND DILUTED EARNINGS PROFIT PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (FILS) | 3 | 5.1 | 1.3 |

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 2024

| | <i>Three months ended</i> | |
|--|---------------------------|-----------------|
| | <i>31 March</i> | |
| | <i>2024</i> | <i>2023</i> |
| | <i>KD 000's</i> | <i>KD 000's</i> |
| Profit for the period | 4,439 | 883 |
| Other comprehensive income (loss): | | |
| <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 | 17,853 | (6,557) |
| Share of other comprehensive income (loss) of associates | 627 | (584) |
| | 18,480 | (7,141) |
| <i>Items that are or may be reclassified to the interim condensed consolidated income statement in subsequent periods:</i> | | |
| Foreign currency translation adjustments | 25 | 18 |
| Other comprehensive income (loss) for the period | 18,505 | (7,123) |
| Total comprehensive income (loss) for the period | 22,944 | (6,240) |
| Attributable to: | | |
| Equity holders of the Parent Company | 22,548 | (5,957) |
| Non-controlling interests | 396 | (283) |
| | 22,944 | (6,240) |

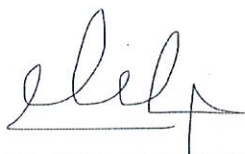
The attached notes 1 to 14 form part of the interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2024

| | | (Audited) | |
|--|-------|------------------------------|---------------------------------|
| | Notes | 31 March 2024 KD 000's | 31 December 2023 KD 000's |
| | | | 31 March 2023 KD 000's |
| ASSETS | | | |
| Cash and balances with banks and financial institutions | | 16,325 | 20,400 |
| Financial assets at fair value through profit or loss | 5 | 126,756 | 113,583 |
| Trading properties | | 271 | 271 |
| Loans | | 157 | 276 |
| Financial assets at fair value through other comprehensive income | 6 | 82,743 | 65,254 |
| Investment in associates and joint venture | | 13,148 | 12,579 |
| Investment properties | | 29,055 | 29,039 |
| Intangible assets | | 1,168 | 1,202 |
| Goodwill | | 1,708 | 1,708 |
| Other assets | | 6,326 | 4,989 |
| TOTAL ASSETS | | 277,657 | 249,301 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Bank borrowings | 7 | 52,163 | 47,413 |
| Accounts payable and accruals | | 11,289 | 10,590 |
| TOTAL LIABILITIES | | 63,452 | 58,003 |
| EQUITY | | | |
| Share capital | | 79,786 | 79,786 |
| Share premium | | 49,593 | 49,593 |
| Statutory reserve | | 11,615 | 11,615 |
| Voluntary reserve | | 1,130 | 1,130 |
| Treasury shares | 8 | (235) | (235) |
| Treasury shares reserve | 8 | 520 | 520 |
| Other reserves | | 486 | 486 |
| Foreign currency translation reserve | | 512 | 499 |
| Cumulative changes in fair value | | 44,530 | 26,000 |
| Retained earnings | | 7,871 | 3,866 |
| Equity attributable to the equity holders of the Parent Company | | 195,808 | 173,260 |
| Non-controlling interests | | 18,397 | 18,038 |
| TOTAL EQUITY | | 214,205 | 191,298 |
| TOTAL LIABILITIES AND EQUITY | | 277,657 | 249,301 |



Khaled Waleed Al-Falah
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 2024

| | <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> | <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 2024 (<i>Audited</i>) | 79,786 | 49,593 | 11,615 | 1,130 | (235) | 520 | 486 | 499 | 26,000 | 3,866 | 173,260 | 18,038 | 191,298 |
| Profit for the period | - | - | - | - | - | - | - | - | - | 4,101 | 4,101 | 338 | 4,439 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | 13 | 18,434 | - | 18,447 | 58 | 18,505 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | 13 | 18,434 | 4,101 | 22,548 | 396 | 22,944 |
| Transfer of loss on disposal of financial assets at fair value through other comprehensive income to retained earnings | - | - | - | - | - | - | - | - | 96 | (96) | - | - | - |
| Movement in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | (37) | (37) |
| Balance at 31 March 2024 | 79,786 | 49,593 | 11,615 | 1,130 | (235) | 520 | 486 | 512 | 44,530 | 7,871 | 195,808 | 18,397 | 214,205 |

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 2024

| | <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</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 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 | - | - | - | - | - | - | - | - | - | 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 gain on disposal of financial assets at fair value through other comprehensive income to retained earnings | - | - | - | - | - | - | - | - | (91) | 91 | - | - | - |
| Movement in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | (9) | (9) |
| Balance at 31 March 2023 | 79,786 | 49,593 | 11,199 | 12,508 | (235) | 520 | 486 | 571 | 26,326 | 12,104 | 192,858 | 17,882 | 210,740 |

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 2024

| | <i>Three months ended</i> | |
|---|---------------------------|-----------------|
| | <i>31 March</i> | <i>2023</i> |
| | 2024 | 2023 |
| | KD 000's | KD 000's |
| OPERATING ACTIVITIES | | |
| Profit before taxation | 4,598 | 883 |
| Adjustments for: | | |
| Unrealized (loss) gain on financial assets at fair value through profit or loss | (4,648) | 4,645 |
| Dividend income | (512) | (3,200) |
| Interest income | (106) | (257) |
| Change in fair value of investment properties | 9 | - |
| Share of results of associates and Joint venture | 20 | (636) |
| Finance costs | 631 | 431 |
| Depreciation and amortization | 86 | 76 |
| Reversal of impairment losses and other provisions | 454 | (1,320) |
| | <u>532</u> | <u>622</u> |
| <i>Changes in operating assets and liabilities:</i> | | |
| Financial assets at fair value through profit or loss | (8,525) | (11,627) |
| Other assets | (1,226) | (59) |
| Accounts payable and accruals | 469 | (331) |
| | <u>(8,750)</u> | <u>(11,395)</u> |
| Cash flows used in operations | (8,750) | (11,395) |
| Interest income received | 106 | 257 |
| Taxes paid | (347) | - |
| Dividend income received | 395 | 450 |
| | <u>(8,596)</u> | <u>(10,688)</u> |
| Net cash flows used in operating activities | (8,596) | (10,688) |
| INVESTING ACTIVITIES | | |
| Purchase of financial assets at fair value through other comprehensive income | (695) | (1,440) |
| Proceeds from sale of financial assets at fair value through other comprehensive income | 1,059 | 13,691 |
| Capital improvements on investment properties | (25) | - |
| Additions to investment in associates | - | (1,341) |
| Dividends received from associates | 37 | 21 |
| Capital distribution received from associates | - | 1,100 |
| Acquisition of a subsidiary, net of cash acquired | - | 13 |
| Net movement in loans | 118 | - |
| Purchase of fixed assets | (46) | (233) |
| | <u>448</u> | <u>11,811</u> |
| Net cash flows from investing activities | 448 | 11,811 |
| FINANCING ACTIVITIES | | |
| Bank borrowing availed | 4,750 | - |
| Finance costs paid | (622) | (386) |
| Movement in non-controlling interests | (37) | (9) |
| Dividends paid | (18) | (2,404) |
| | <u>4,073</u> | <u>(2,799)</u> |
| Net cash flows from (used in) financing activities | 4,073 | (2,799) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (4,075) | (1,676) |
| Cash and cash equivalents at 1 January | 20,400 | 31,296 |
| | <u>16,325</u> | <u>29,620</u> |
| CASH AND CASH EQUIVALENTS AT 31 MARCH | 16,325 | 29,620 |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

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 2 May 2024 approved the consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial information for the period ended 31 March 2024 were authorized for issue in accordance with a resolution of the Parent Company’s Board of Directors on 6 May 2024.

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 2023 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 2024

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 2023.

Operating results for the three months ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 2023.

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 2024 did not have any material impact on the accounting policies, financial position or performance of the Group.

3 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> | |
|---|--|-------------|
| | 2024 | 2023 |
| Profit for the period attributable to equity holders of the Parent Company (KD 000's) | 4,101 | 1,074 |
| Weighted average number of shares outstanding during the period | 797,021,540 | 797,021,540 |
| Basic and diluted earnings per share (fils) | 5.1 | 1.3 |

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 basic and diluted earnings per share.

4 TAXATION CHARGE

| | 2024 | 2023 |
|--|-----------------|-----------------|
| | KD 000's | KD 000's |
| Kuwait Foundation for the Advancement of Sciences ("KFAS") | 36 | - |
| National Labour Support Tax ("NLST") | 88 | - |
| Zakat | 35 | - |
| | 159 | - |

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 2024

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | <i>31 March</i> <i>2024</i> <i>KD 000's</i> | <i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD 000's</i> | <i>31 March</i> <i>2023</i> <i>KD 000's</i> |
|--|---|--|---|
| Quoted securities | 60,175 | 50,341 | 46,205 |
| Unquoted equity investments (includes private equity investments) | 2,981 | 2,981 | 2,991 |
| Unquoted mutual fund investments (investing in quoted and unquoted securities) | 63,600 | 60,261 | 59,982 |
| | 126,756 | 113,583 | 109,178 |

Unquoted equity investments are fair valued using fair valuation techniques which did not result in any gain or loss due to change in fair value during the period to be recorded in interim condensed consolidated income statement (31 December 2023: loss due to change in fair value of KD 630 thousand and 31 March 2023: gain due to change in fair value of KD 897 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 16,872 thousand (31 December 2023: KD 16,072 thousand and 31 March 2023: KD 10,364 thousand) are collateralized against bank borrowings (Note 7).

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | <i>31 March</i> <i>2024</i> <i>KD 000's</i> | <i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD 000's</i> | <i>31 March</i> <i>2023</i> <i>KD 000's</i> |
|-----------------------------|---|--|---|
| Quoted equity investments * | 71,917 | 54,395 | 53,662 |
| Unquoted equity investments | 10,826 | 10,859 | 11,595 |
| | 82,743 | 65,254 | 65,257 |

* Quoted equity investments in Boursa Kuwait Securities Company K.P.S.C., acquired by the Parent Company in prior years through auction as part of a consortium, were subject to a five-year lock-in period. Consequently in line with IFRS13, a 15% discount was applied to their fair value until the conclusion of the lock-in period which ended on 18 March 2024. Post-lock-in period, these investments are fair-valued without any applying discount.

Certain financial assets at fair value through other comprehensive income amounting to KD 11,981 thousand (31 December 2023: KD 6,103 thousand and 31 March 2023: KD 4,968 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.

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 2024

7 BANK BORROWINGS

| | 31 March 2024 | <i>(Audited)</i> 31 December 2023 | 31 March 2023 |
|-----------------------|--------------------------|---|------------------|
| | <i>KD 000's</i> | <i>KD 000's</i> | <i>KD 000's</i> |
| Secured borrowings: | | | |
| - Due within one year | 8,163 | 14,663 | 8,903 |
| - Due after one year | 42,000 | 30,750 | 30,100 |
| Unsecured borrowings: | | | |
| - Due within one year | 2,000 | 2,000 | - |
| | 52,163 | 47,413 | 39,003 |

Bank borrowings carry interest rates ranging from 5.25% to 5.75% (31 December 2023: 5.2% to 5.75% and 31 March 2023: 3.75% to 5.5%).

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

| | 31 March 2024 | <i>(Audited)</i> 31 December 2023 | 31 March 2023 |
|--|--------------------------|---|------------------|
| 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) | 219 | 200 | 202 |
| Weighted average market value per share (fils) | 281 | 224 | 239 |

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 2023 held on 2 May 2024 approved cash dividend of 15 fils per share amounting to KD 11,955 thousand from retained earnings, partly from voluntary reserves and partly from share premium representing 15% of the paid-up share capital and will be paid subsequently.

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.

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 2024

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>31 March</i> | |
| | 2024 | 2023 |
| | KD 000's | KD 000's |
| Included in the interim condensed consolidated income statement: | | |
| Management and advisory fees (others) | 551 | 628 |
| Management and advisory fees (associates) | 2 | - |
| Rental income (others) | 32 | 32 |
| Interest (others) | 1 | - |
| | | |
| | <i>(Audited)</i> | |
| | <i>31 March</i> | <i>31 December</i> |
| | 2024 | 2023 |
| | KD 000's | KD 000's |
| | | <i>31 March</i> |
| | | 2023 |
| | | KD 000's |

Included in interim condensed consolidated statement of financial position:

| | | | |
|---------------------------|-----|-----|-----|
| Other assets (others) | 700 | 562 | 727 |
| Other assets (associates) | 30 | - | 21 |
| 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</i> | |
|------------------------------------|---------------------------|-----------------|
| | <i>31 March</i> | |
| | 2024 | 2023 |
| | KD 000's | KD 000's |
| Salaries and short-term benefits | 423 | 216 |
| Employees' end of service benefits | 22 | 24 |
| | 445 | 240 |

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

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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> |
|----------------------|--------------------------------|------------------------------|---------------------------------|--|---------------------------------|---------------------------|
| 31 March 2024 | | | | | | |
| Segment revenues | 5,577 | 145 | 282 | 2,380 | - | 8,384 |
| Segment results | 4,745 | (562) | (217) | 632 | - | 4,598 |
| Segment assets | 227,451 | 9,727 | 30,029 | 9,647 | 803 | 277,657 |
| Segment liabilities | 1,329 | 49,725 | 2,855 | 1,604 | 7,939 | 63,452 |
| 31 March 2023 | | | | | | |
| 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 |

12 COMMITMENTS AND CONTINGENT LIABILITIES

| | <i>31 March 2024 KD 000's</i> | <i>(Audited) 31 December 2023 KD 000's</i> | <i>31 March 2023 KD 000's</i> |
|--|---------------------------------------|--|---------------------------------------|
| Capital commitments towards investments and other assets | 8,853 | 8,986 | 10,249 |
| Bank guarantees | 280 | 280 | 280 |
| Unsold borrowed shares | - | - | 548 |
| | 9,133 | 9,266 | 11,077 |

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.

13 FIDUCIARY ASSETS

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 1,065,553 thousand (31 December 2023: KD 1,049,222 thousand and 31 March 2023: KD 1,089,738 thousand). The total income earned from trust and other fiduciary activities amount to KD 820 thousand (31 March 2023: KD 940 thousand).

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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>Total</i> <i>KD 000's</i> | <i>Fair value measurement using</i> | | |
|---|---------------------------------|---|---|---|
| | | <i>Quoted prices</i> <i>in active</i> <i>markets</i> <i>(Level 1)</i> <i>KD 000's</i> | <i>Significant</i> <i>observable</i> <i>inputs</i> <i>(Level 2)</i> <i>KD 000's</i> | <i>Significant</i> <i>unobservable</i> <i>inputs</i> <i>(Level 3)</i> <i>KD 000's</i> |
| 31 March 2024 | | | | |
| Assets measured at fair value | | | | |
| <i>Financial assets at fair value through profit or loss</i> | | | | |
| Quoted securities | 60,175 | 60,175 | - | - |
| Unquoted equity investments (includes private equity investments) | 2,981 | - | - | 2,981 |
| Unquoted mutual fund investments (investing in quoted and unquoted investments) | 63,600 | - | 45,185 | 18,415 |
| <i>Financial assets at fair value through other comprehensive income</i> | | | | |
| Quoted equity investments | 71,917 | 71,917 | - | - |
| Unquoted equity investments | 10,826 | - | - | 10,826 |
| <i>Investment properties</i> | 29,055 | - | - | 29,055 |
| <i>Forward foreign exchange contracts</i> | 5 | - | 5 | - |
| Assets measured at cost while fair value is disclosed | | | | |
| <i>Trading properties*</i> | 271 | - | 271 | - |
| | <u>238,830</u> | <u>132,092</u> | <u>45,461</u> | <u>61,277</u> |
| Liabilities measured at fair value | | | | |
| <i>Forward foreign exchange contracts</i> | 3 | - | 3 | - |
| | <u>3</u> | <u>-</u> | <u>3</u> | <u>-</u> |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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14 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

| | Total KD 000's | 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 |
| 2023 | | | | |
| Assets measured at fair value | | | | |
| <i>Financial assets at fair value through profit or loss:</i> | | | | |
| Quoted securities (including loaned security) | 50,341 | 50,341 | - | - |
| Unquoted equity investments (including private equity investments) | 2,981 | - | - | 2,981 |
| Unquoted mutual fund investments (investing in quoted and unquoted securities) | 60,261 | - | 42,855 | 17,406 |
| <i>Financial assets at fair value through other comprehensive income:</i> | | | | |
| Quoted equity investments | 54,395 | 12,106 | 42,289 | - |
| Unquoted equity investments | 10,859 | - | - | 10,859 |
| <i>Investment properties</i> | 29,039 | - | - | 29,039 |
| Forward foreign exchange contracts | 19 | - | 19 | - |
| Assets measured at cost while fair value is disclosed | | | | |
| <i>Trading properties</i> | 271 | - | 271 | - |
| | <u>208,166</u> | <u>62,447</u> | <u>85,434</u> | <u>60,285</u> |
| Liabilities measured at fair value | | | | |
| <i>Forward foreign exchange contracts</i> | <u>18</u> | <u>-</u> | <u>18</u> | <u>-</u> |
| 31 March 2023 | | | | |
| Assets measured at fair value | | | | |
| <i>Financial assets at fair value through profit or loss</i> | | | | |
| Quoted securities (including loaned security) | 46,205 | 46,205 | - | - |
| Unquoted equity investments (includes private equity investments) | 2,991 | - | - | 2,991 |
| Unquoted mutual fund investments (investing in quoted and unquoted investments) | 59,982 | - | 43,501 | 16,481 |
| <i>Financial assets at fair value through other comprehensive income</i> | | | | |
| Quoted equity investments | 53,662 | 12,148 | 41,514 | - |
| Unquoted equity investments | 11,595 | - | - | 11,595 |
| <i>Investment properties</i> | 28,995 | - | - | 28,995 |
| Forward foreign exchange contracts | 40 | - | 40 | - |
| Assets measured at cost while fair value is disclosed | | | | |
| <i>Trading properties*</i> | 278 | - | 278 | - |
| | <u>203,748</u> | <u>58,353</u> | <u>85,333</u> | <u>60,062</u> |
| Liabilities measured at fair value | | | | |
| <i>Forward foreign exchange contracts</i> | <u>41</u> | <u>-</u> | <u>41</u> | <u>-</u> |

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 2024

14 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

* The fair value of the trading properties measured at cost is KD 309 thousand (31 December 2023: KD 308 thousand and 31 March 2023: KD 318 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 2024 KD 000's</i> | <i>Gain (loss) recorded in the interim condensed income statement KD 000's</i> | <i>Gain recorded in other comprehensive income KD 000's</i> | <i>Net purchases, (sales) KD 000's</i> | <i>As at 31 March 2024 KD 000's</i> |
|---|--|--|---|--|---|
| 31 March 2024 | | | | | |
| Financial assets at fair value through profit or loss: | | | | | |
| Unquoted equity investments (including private equity investments) | 2,981 | - | - | - | 2,981 |
| Unquoted mutual fund investments (investing in unquoted securities) | 17,406 | 407 | - | 602 | 18,415 |
| Financial assets at fair value through other comprehensive income: | | | | | |
| Unquoted equity investments | 10,859 | - | 29 | (62) | 10,826 |
| Investment properties | 29,039 | (9) | - | 25 | 29,055 |
| | <u>60,285</u> | <u>398</u> | <u>29</u> | <u>565</u> | <u>61,277</u> |

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As at and for the period ended 31 March 2024

14 FAIR VALUE MEASUREMENT (continued)

| | <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 KD 000's</i> | <i>As at 31 March 2023 KD 000's</i> |
|---|--|--|---|-----------------------------------|---|
| <i>31 March 2023</i> | | | | | |
| <i>Financial assets at fair value through profit or loss:</i> | | | | | |
| 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 |
| <i>Financial assets at fair value through other comprehensive income:</i> | | | | | |
| Unquoted equity investments | 10,886 | - | (101) | 810 | 11,595 |
| <i>Investment properties</i> | 28,995 | - | - | - | 28,995 |
| | <u>60,351</u> | <u>(998)</u> | <u>(101)</u> | <u>810</u> | <u>60,062</u> |

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