

THE SECURITIES HOUSE K.S.C.P.AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
AND
INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE
NINE MONTHS PERIOD ENDED
30 SEPTEMBER 2024

(UNAUDITED)

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**The Securities House K.S.C.P.
Kuwait**

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS

Report on Review of Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of The Securities House K.S.C.P (the Parent Company) and its subsidiaries (together called "the Group") as at 30 September 2024 and the related interim condensed consolidated statements of income, comprehensive income for the three month and nine month periods then ended, interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the International Accounting Standard 34 – Interim Financial Reporting. 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.

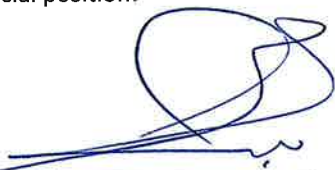
Conclusion

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 International Accounting Standard 34 – Interim Financial Reporting.

Report on Other Legal and Regulatory Requirements

Based on our review, the accompanying 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 and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine-month period ended 30 September 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 material violations of the provisions of Law No. 7 of 2010, concerning establishment of Capital Markets Authority "CMA" and organization of security activity and its related regulations, as amended, during the nine-month period ended 30 September 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



Bader A. AL-Wazzan
License No. 62A
Deloitte & Touche - Al-Wazzan & Co.

14 November 2024
Kuwait

Interim Condensed Consolidated Statement of Income (Unaudited)
For the period ended 30 September 2024

		Kuwaiti Dinars			
		Three months ended 30 September		Nine months ended 30 September	
Note		2024	2023	2024	2023
INCOME					
From management, advisory and investment activities					
	Management fee income	556,205	499,482	1,591,606	1,616,481
	Advisory and brokerage fee income	404,721	16,427	811,248	96,354
	Dividend income	98,979	56,091	226,248	195,875
	Income on Murabaha receivable	29,756	37,020	96,513	115,211
6	Realised gain on sale of investments at fair value through profit or loss	145,451	212,108	371,372	269,903
	Realised gain on sale of an investment property	-	-	-	188,767
	Unrealised (loss) gain on investments at fair value through profit or loss	(32,478)	(255,017)	94,083	6,861
	Income from management, advisory and investment activities	1,202,634	566,111	3,191,070	2,489,452
From commercial activities					
	Sales of goods	418,803	380,702	1,271,570	1,207,099
	Cost of sales	(377,595)	(379,959)	(1,148,503)	(1,170,584)
	Gross profit from commercial activities	41,208	743	123,067	36,515
	Other income (loss)	11,761	(29,904)	21,891	92,814
	Total income	1,255,603	536,950	3,336,028	2,618,781
EXPENSES					
	Staff costs	599,153	612,226	1,991,554	2,125,565
	General and administration and selling expenses	369,188	333,934	1,117,397	914,054
	Depreciation	48,730	49,386	146,586	146,953
	Total expenses	1,017,071	995,546	3,255,537	3,186,572
	Profit / (loss) before share of results, amortisation, Murabaha profit and taxation	238,532	(458,596)	80,491	(567,791)
7	Share in results of associates and joint venture	(44,085)	154,961	(79)	513,634
	Amortisation of intangibles	(100,000)	(100,000)	(300,000)	(300,000)
	Profit charged on Murabaha payable	(93,501)	(70,205)	(234,455)	(339,979)
	Profit charged on lease liabilities	(10,744)	(16,789)	(41,770)	(50,674)
	Loss before tax and continuing operations for the period	(9,798)	(490,629)	(495,813)	(744,810)
	Contribution to KFAS	-	4,100	-	7,613
	National labor support tax	-	8,508	-	17,708
	Zakat	-	2,860	-	6,145
	Loss after tax for the period from continuing operations	(9,798)	(475,161)	(495,813)	(713,344)
3	Profit after tax for the period from discontinued operations	-	-	-	1,345,197
	(Loss)/profit for the period	(9,798)	(475,161)	(495,813)	631,853
Attributable to:					
	Equity holders of the Parent Company – profit / (loss)	12,107	(409,059)	(388,341)	776,922
	Non-controlling interests - loss	(21,905)	(66,102)	(107,472)	(145,069)
		(9,798)	(475,161)	(495,813)	631,853
	Basic and diluted earnings / (loss) per share attributable to equity holders of the Parent Company	4	Nil	(1.0) Fils	(1.0) Fils
	Basic and diluted earnings / (loss) per share attributable to the equity holders of the Parent Company from continuing operations	4	Nil	(1.0) Fils	(1.0) Fils
			(1.0) Fils	(1.0) Fils	(1.4) Fils

The accompanying notes form an integral part of this interim condensed consolidated financial information

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the period ended 30 September 2024

		Kuwaiti Dinars			
		Three months ended 30 September		Nine months ended 30 September	
Note		2024	2023	2024	2023
	(Loss) / profit for the period	(9,798)	(475,161)	(495,813)	631,853
	Other comprehensive income / (loss):				
	<i>Items to be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>				
	Foreign currency translation adjustment	1,110,984	(866,025)	820,158	416,522
	<i>Items that will not be reclassified to interim condensed consolidated statement of income:</i>				
	Gain on sale of investment at fair value through other comprehensive income	-	51,244	-	51,244
7	Share in other comprehensive gain/(loss) of associates	62,612	7,632	(48,228)	(151,980)
	Other comprehensive income / (loss) for the period	1,173,596	(807,149)	771,930	315,786
	Total comprehensive income / (loss) for the period	1,163,798	(1,282,310)	276,117	947,639
	Attributable to:				
	Equity holders of the Parent Company	1,185,703	(1,216,208)	383,589	1,092,708
	Non-controlling interests	(21,905)	(66,102)	(107,472)	(145,069)
		1,163,798	(1,282,310)	276,117	947,639

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As at 30 September 2024

	Notes	Kuwaiti Dinars		
		30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
ASSETS				
Cash and cash equivalents	5	1,849,926	4,195,178	4,138,330
Accounts receivable and prepayments		2,401,606	1,549,941	1,754,183
Murabaha receivable	6	2,643,706	2,564,430	2,546,160
Investments at fair value through profit or loss	15	9,401,144	6,624,943	7,026,828
Investment in associates and joint venture	7	29,650,976	29,021,955	28,216,131
Right of use assets		783,021	1,173,781	1,050,421
Furniture and equipment		442,174	515,626	536,430
Intangible assets	8	3,300,000	3,600,000	3,700,000
Goodwill	8	1,000,000	1,000,000	1,000,000
TOTAL ASSETS		51,472,553	50,245,854	49,968,483
LIABILITIES				
Accounts payable and accruals		3,270,953	3,369,266	3,382,614
Murabaha payable	9	6,748,150	5,000,000	5,000,000
Lease liabilities		865,501	1,204,525	1,079,626
Employees' end of service benefits		1,573,442	1,416,309	1,606,685
TOTAL LIABILITIES		12,458,046	10,990,100	11,068,925
EQUITY				
Share capital	10	40,000,000	41,500,000	41,500,000
Statutory reserve		704,705	704,705	648,034
Foreign currency translation reserve		(3,072,986)	(3,893,144)	(4,864,706)
Cumulative changes in equity of associates		(2,820,457)	(2,772,229)	(2,704,441)
Treasury shares reserve		143,093	-	-
Treasury shares	11	(531,863)	(1,371,406)	(1,117,555)
Retained earnings		4,953,606	5,341,947	5,773,488
Equity attributable to equity holders of the Parent Company		39,376,098	39,509,873	39,234,820
Non-controlling interests		(361,591)	(254,119)	(335,262)
TOTAL EQUITY		39,014,507	39,255,754	38,899,558
TOTAL LIABILITIES AND EQUITY		51,472,553	50,245,854	49,968,483

The accompanying notes form an integral part of this interim condensed consolidated financial information.



Abdullatif Mohammad Alshaya
Chairman



Yousef Ibrahim Alghanim
Vice Chairman and Chief Executive Officer

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the period ended 30 September 2024

	Notes	Kuwaiti Dinars	
		Nine months ended 30 September	
		2024	2023
OPERATING ACTIVITIES			
(Loss) / profit for the period		(495,813)	631,853
Adjustments for:			
Income on Murabaha receivable		(96,513)	(115,211)
Realised gain on sale of investments at fair value through profit or loss		(371,372)	(269,903)
Realised gain on sale of an investment property		-	(188,767)
Unrealised gain on investments at fair value through profit or loss		(94,083)	(6,861)
Gain on disposal of discontinued operations before tax	3	-	(1,408,584)
Share in results of associates and joint venture	7	79	(513,634)
Amortization of intangibles		300,000	300,000
Depreciation		395,787	370,702
Profit charged on Murabaha payable and on lease liabilities		276,225	390,653
Provision for employees' end of service benefits		223,359	271,973
		<u>137,669</u>	<u>(537,779)</u>
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(915,348)	29,210
Investments at fair value through profit or loss		(2,310,746)	(967,646)
Accounts payable and accruals		(34,630)	(1,602)
		<u>(3,123,055)</u>	<u>(1,477,817)</u>
Employees' end of service benefits paid		(66,226)	(178,537)
Net cash flows used in operating activities		<u>(3,189,281)</u>	<u>(1,656,354)</u>
INVESTING ACTIVITIES			
Collection of Murabaha receivable and income		-	449,803
Proceeds from sale of investments at fair value through other comprehensive income		-	251,244
Proceeds from sale of an investment property		-	238,767
Additions to joint venture	7	(100,000)	(2,750,000)
Dividend and capital reduction received from associates	7	279,706	239,821
Proceeds from disposal of discontinued operations, net of cash disposed off	3	-	2,281,732
Purchase of furniture and equipment		(12,328)	(217,516)
Net cash flows from investing activities		<u>167,378</u>	<u>493,851</u>
FINANCING ACTIVITIES			
Payment of capital reduction	10	(928,306)	(1,000,000)
Net sale (purchase) of treasury shares		410,942	(302,492)
Payment of lease liabilities		(258,271)	(311,083)
Profit on lease liabilities paid		(41,770)	(50,674)
Net receipt of Murabaha payable		1,748,150	1,500,000
Profit on Murabaha payable paid		(234,455)	(339,979)
Net cash flows from/ (used in) financing activities		<u>696,290</u>	<u>(504,228)</u>
DECREASE IN CASH AND CASH EQUIVALENTS		<u>(2,325,613)</u>	<u>(1,666,731)</u>
Net foreign exchange difference		(19,639)	48,026
Cash and cash equivalents at 1 January-continuing operations		4,195,178	5,338,767
Cash and cash equivalents at 1 January- discontinued operations		-	418,268
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	5	<u>1,849,926</u>	<u>4,138,330</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

The Securities House K.S.C.P. and Subsidiaries
Kuwait

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the period ended 30 September 2024

	Kuwaiti Dinars									
	Share capital	Statutory reserve	Foreign currency translation reserve	Cumulative changes in equity of associates	Treasury shares reserve	Treasury shares	Retained earnings	Sub total	Non-controlling interests	Total equity
Balance as at 1 January 2024	41,500,000	704,705	(3,893,144)	(2,772,229)	-	(1,371,406)	5,341,947	39,509,873	(254,119)	39,255,754
Loss for the period	-	-	-	-	-	-	(388,341)	(388,341)	(107,472)	(495,813)
Other comprehensive income/(loss)	-	-	820,158	(48,228)	-	-	-	771,930	-	771,930
Total comprehensive income/(loss) for the period	-	-	820,158	(48,228)	-	-	(388,341)	161,784	(107,472)	276,117
Share capital reduction (Note 10)	(1,000,000)	-	-	-	-	71,694	-	(928,306)	-	(928,306)
Write-off of treasury shares (Note 10)	(500,000)	-	-	-	157,149	342,851	-	-	-	-
Net movement on treasury shares	-	-	-	-	(14,056)	424,998	-	410,942	-	410,942
As at 30 September 2024	40,000,000	704,705	(3,072,986)	(2,820,457)	143,093	(531,863)	4,953,606	39,154,293	(361,591)	39,014,507
Balance as at 1 January 2023	42,500,000	648,034	(5,281,228)	(2,552,461)	-	(1,023,583)	4,945,707	39,236,469	(190,193)	39,046,276
Profit/(loss) for the period	-	-	-	-	-	-	776,922	776,922	(145,069)	631,853
Other comprehensive income/(loss)	-	-	416,522	(151,980)	-	-	51,244	315,786	-	315,786
Total comprehensive income/(loss) for the period	-	-	416,522	(151,980)	-	-	828,166	1,092,708	(145,069)	947,639
Share capital reduction (Note 10)	(1,000,000)	-	-	-	-	-	-	(1,000,000)	-	(1,000,000)
Net movement on treasury shares	-	-	-	-	-	(93,972)	(385)	(94,357)	-	(94,357)
As at 30 September 2023	41,500,000	648,034	(4,864,706)	(2,704,441)	-	(1,117,555)	5,773,488	39,234,820	(335,262)	38,899,558

The accompanying notes form an integral part of this interim condensed consolidated financial information.

1. Corporate information and activities

The Parent Company is a Kuwaiti public shareholding company incorporated in Kuwait on 28 March 1982 and is regulated by the Capital Market Authorities as a licensed person to engage in the securities activities of investment portfolio manager, collective investment scheme manager, investment advisor, securities broker not registered in the stock exchange and subscription agent. The Parent Company is also engaged in dealing in securities and investment in real estate and other economic sectors on its behalf. The Parent Company performs its activities in accordance with Shariah principles.

The Parent Company's principal place of business and registered address is 18th floor, Al-Dhow Tower, Khalid Ibn Al-Waleed Street, Sharq, P. O. Box 26972 Safat, 13130, Kuwait.

The interim condensed consolidated financial information includes the interim financial information of the Parent Company and its subsidiaries (together referred to as "the Group").

The Annual General Meeting ("AGM") of the shareholders of the Parent Company held on 23 May 2024 approved the Group's consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial information for the Nine months period ended 30 September 2024 were authorised for issue by the Board of Directors on 14 November 2024.

2. Basis of preparation

The interim condensed consolidated financial information for the nine months ended 30 September 2024 has been prepared in accordance with International Accounting Standard ("IAS") 34: Interim Financial Reporting, except as noted below.

The interim condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. In addition, results for the nine months ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional currency of the Parent Company.

Changes in accounting policy and disclosures

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 which have been prepared in accordance with IFRSs Accounting Standards as adopted for use by the state of Kuwait.

Amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2024 did not result in any material impact on the accounting policies, financial position or performance of the Group.

3. Discontinued operations

In March 2023, the Parent Company sold its entire interest in the former subsidiary, Manarat Educational Services Company W.L.L. ("Manarat") to a locally licensed collective investment scheme for a consideration amounting to KD 2,700,000.

The results of the sale of Manarat were as presented below:

	Kuwaiti Dinars
	Nine months ended 30 September 2023
Gain on sale before tax (see below)	1,408,584
Profit before tax for the period	1,408,584
Taxes	(63,387)
Profit after tax for the period from discontinued operations	1,345,197
Attributable to:	
Equity holders of the Parent Company (Note 4)	1,345,197
Basic and diluted earnings per share from discontinued operations attributable to the equity holders of the Parent Company	3.3 Fils

As of the date of sale, the net assets of Manarat were as follows:

	Kuwaiti Dinars
	As of the date of sale
Assets	
Bank balances and cash	418,268
Accounts receivable and prepayments	121,984
Right of use assets	1,085,559
Furniture and equipment	262,366
Goodwill	1,075,000
Total assets	2,963,177
Liabilities	
Accounts payable and accruals	418,477
Lease liabilities	1,128,888
Employees' end of service benefits	124,396
Total liabilities	1,671,761
Net assets sold	1,291,416
Total consideration	2,700,000
Gain on sale before tax (see above)	1,408,584

Net cash flow from the transaction:

	Kuwaiti Dinars
	As of the date of sale
Total consideration	2,700,000
Less: bank balances and cash as of the sale date	(418,268)
Net cash consideration received on sale	2,281,732

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 September 2024

4. Basic and diluted earnings / (loss) per share attributable to equity holders of the Parent Company

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

	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2024	2023	2024	2023
Profit / (Loss) for the period attributable to equity holders of the Parent Company	12,107	(409,059)	(388,341)	776,922
Weighted average number of shares outstanding for the period	392,123,324	398,886,034	397,598,290	406,243,075
Basic and diluted earnings / (loss) per share attributable to the equity holders of the parent company	Nil	(1.0) Fils	(1.0) Fils	1.9 Fils

Basic and diluted earnings / (loss) per share from continuing operations:

	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2024	2023	2024	2023
Profit / (Loss) for the period attributable to equity holders of the Parent Company	12,107	(409,059)	(388,341)	776,922
Less:				
Profit for the period attributable to equity holders of the Parent Company from discontinued operations (Note 3)	-	-	-	(1,345,197)
Profit / (loss) for the period attributable to equity holders of the Parent Company from continuing operations	12,107	(409,059)	(388,341)	(568,275)
Weighted average number of shares outstanding for the period	392,123,324	398,886,034	397,598,290	406,243,075
Basic and diluted profit / (loss) per share attributable to the equity holders of the Parent Company from continuing operations	Nil	(1.0) Fils	(1.0) Fils	(1.4) Fils

5. Cash and cash equivalents

Cash and cash equivalents as shown in the interim condensed consolidated statement of cash flows are reconciled to the related items in the interim condensed consolidated statement of financial position as follows:

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
	Bank balances and cash	1,451,603	4,162,493
Balances with custodians	398,323	32,685	464,050
Short-term murabaha investments with original maturities up to three months	-	-	400,000
	1,849,926	4,195,178	4,138,330

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 September 2024

Short-term murabaha investments carried an effective average profit rate of 3.75 % per annum at 30 September 2023.

6. Murabaha Receivable

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Current – denominated in Kuwaiti Dinar	1,272,331	-	537,660
Non-current - denominated in Kuwaiti Dinar	1,371,375	2,564,430	2,008,500
	2,643,706	2,564,430	2,546,160
Balance in original currency - US Dollar	8,675,000	8,360,000	8,240,000

This represents the balance receivable from the sale of a foreign associate by a subsidiary company in 2022. The balance carries an effective profit rate of 6.0% per annum, is receivable over instalments ending in 2028 and is guaranteed by the purchaser's pledge to create a security interest of its interest in the associate in favour of the subsidiary company. During the current period, the Group recognised income on this receivable amounting to KD 96,513 equivalent to USD 315,000 (30 September 2023: KD 115,211 equivalent to USD 375,000).

7. Investment in associates and joint venture

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
At the beginning of the period/year	29,021,955	24,975,802	24,975,802
Acquisitions (a)	100,000	2,750,000	2,750,000
Share in results (b)	(79)	450,842	513,634
Share in other comprehensive loss	(48,228)	(219,768)	(151,980)
Foreign currency translation adjustment	857,034	1,382,051	368,496
Dividend and capital reduction received	(279,706)	(316,972)	(239,821)
At the end of the period/year	29,650,976	29,021,955	28,216,131

This represents the Group's share of its investments in Gatehouse Financial Group Limited ("GFGL"), Wareef Al Jubail Project Company, Saudi Projects Holding Group, Madrono Capital, LLC and First Kuwaiti for Education Holding Company WLL (the

"Joint Venture"). The joint venture owns 100% of the share capital of Dar Al Salam Educational Company WLL, that owns and manages four schools in Kuwait.

- This represents the Group's subscription for its interest in the capital increase of the joint venture. The formal procedures of the capital increase are in process.
- The Group's share in results for all the associates and the joint venture for the nine-month period ended 30 September 2024 is based on its management accounts.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 September 2024

8. Intangible assets and goodwill

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Intangible assets - asset management agreements:			
Related to the parent company	2,850,000	3,000,000	3,050,000
Related to a subsidiary company, Gatehouse Capital K.S.C.C.	450,000	600,000	650,000
	3,300,000	3,600,000	3,700,000
Goodwill			
On acquisition of a subsidiary company, Juzur Canary Restaurant Company W.L.L.	1,000,000	1,000,000	1,000,000
	1,000,000	1,000,000	1,000,000

9. Murabaha payable

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Current	3,498,150	1,000,000	750,000
Non-current	3,250,000	4,000,000	4,250,000
	6,748,150	5,000,000	5,000,000

Murabaha payable represents the value of assets purchased on a deferred settlement basis.

The facility is unsecured and carries a profit rate of 5.75% (31 December 2023: 5.75%; 30 September 2023: 5.50%) per annum.

10. Share capital

The authorised, issued and fully paid-up share capital of the Parent Company is KD 40,000,000 as of 30 September 2024 (31 December 2023: KD 41,500,000; 30 September 2023: KD 41,500,000) comprising of 400,000,000 shares (31 December 2023: 415,000,000 30 September 2023: 415,000,000) of 100 fils each.

On 30 May 2024, the extra-ordinary general assembly of the shareholders of the Parent Company approved the reduction of the authorized, issued, and paid-up share capital by 15,000,000 shares of 100 fils per share amounting to KD 1,500,000, as follows:

- Non-cash reduction of 5,000,000 shares of 100 fils per share amounting to KD 500,000 through writing-off 5,000,000 treasury shares outstanding at 31 December 2023, and
- Cash reduction of 10,000,000 of 100 fils per share amounting to KD 1,000,000. Payment of the capital reduction was made on 10 July 2024.

On 25 May 2023, the extra-ordinary general assembly of the shareholders of the Parent Company approved the cash reduction of the authorized, issued, and paid-up share capital by 10,000,000 shares of 100 fils per share amounting to KD 1,000,000. Payment of the capital reduction was made on 26 June 2023.

11. Treasury Shares

These shares were acquired based on an authorization granted to the Board of Directors by the shareholders and in accordance with Ministerial Decrees No. 10 of 1987 and No. 11 of 1988 and are carried at cost. Reserves equivalent to the cost of treasury shares held are not distributable.

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Number of treasury shares	8,150,000	20,000,000	16,163,298
Percentage of share capital	2.0%	4.8%	3.9%
Cost (Kuwaiti Dinars)	531,863	1,371,406	1,117,555
Market value (Kuwaiti Dinars)	537,900	1,074,000	948,786

The Parent Company has market maker and securities lending agreements to the market maker with a company licensed by the Capital Markets Authority to enhance the liquidity of the Parent Company's shares in Boursa Kuwait. During the previous period ended 30 September 2023, the Parent Company lent 3,000,000 of its treasury shares to the market maker for a one-year term, which was returned in the last quarter of 2023.

12. Related party transactions

Related parties represent major shareholders, directors and executive officers of the Parent Company, close members of their families 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.

Related party transactions consist of the following:

	Kuwaiti Dinars	
	Nine months ended 30 September	
	2024	2023
Key management compensation:		
Salaries and other short-term benefits	121,971	254,138
Employees' end of services	16,004	54,245
	137,975	308,383

13. Segmental analysis

For management purposes the Group is organised into three major business segments:

- Proprietary investment management : Investing of Group's funds in securities and real estate and managing the Group's liquidity requirements.
- Asset management and advisory services : Discretionary and non-discretionary investment portfolio management, managing of local and international investment funds and providing investment advisory services.
- Commercial activities : Include food and educational activities.

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Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 September 2024

The following table presents information regarding the Group's business segment:

	Proprietary investment management		Asset management, advisory and consulting		Food sector		Education sector		Sub-total		Discontinued Operations		Total	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Segment revenue	810,107	869,431	2,402,854	1,712,835	1,271,570	1,207,099	-	-	4,484,531	3,789,365	-	-	4,484,531	3,789,365
Segment results	(1,264,232)	(1,205,961)	1,588,970	916,192	(244,247)	(278,022)	-	-	80,491	(567,791)	-	-	80,491	(567,791)
Gain on sale of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,408,584	-	1,408,584
Share in results of associates and a Joint venture	123,965	839,172	-	-	-	-	(124,044)	(325,538)	(79)	513,634	-	-	(79)	513,634
Amortisation of intangibles	-	-	(300,000)	(300,000)	-	-	-	-	(300,000)	(300,000)	-	-	(300,000)	(300,000)
Profit charged on Murabaha payable and lease liabilities	(241,224)	(350,955)	(8,889)	(12,972)	(26,112)	(26,726)	-	-	(276,225)	(390,653)	-	-	(276,225)	(390,653)
KFAS, NLS and Zakat	-	31,466	-	-	-	-	-	-	-	31,466	-	(63,387)	-	(31,921)
(Loss)/ profit for the year	-	-	-	-	-	-	-	-	(495,813)	(713,344)	-	1,345,197	(495,813)	631,853
Assets:														
Segment assets	11,170,418	9,507,881	1,207,158	500,254	1,068,880	1,319,036	-	-	14,446,456	11,327,171	-	-	14,446,456	11,327,171
Investment in associates and a Joint venture	25,874,104	24,649,508	-	-	-	-	3,776,872	3,566,623	29,650,976	28,216,131	-	-	29,650,976	28,216,131
Others	4,038,241	6,702,252	3,300,000	3,700,000	36,880	22,929	-	-	7,375,121	10,425,181	-	-	7,375,121	10,425,181
	42,082,763	40,859,641	4,507,158	4,200,254	1,105,760	1,341,965	3,776,872	3,566,623	51,472,553	49,968,483	-	-	51,472,553	49,968,483
Liabilities:														
Account payable and accruals	2,798,763	2,634,634	49,529	295,327	422,661	452,653	-	-	3,270,953	3,382,614	-	-	3,270,953	3,382,614
Murabaha payable	6,748,150	5,000,000	-	-	-	-	-	-	6,748,150	5,000,000	-	-	6,748,150	5,000,000
Lease liabilities	352,050	488,797	-	-	513,451	590,829	-	-	865,501	1,079,626	-	-	865,501	1,079,626
Employees' end of service benefits	1,422,971	1,464,974	7,925	1,446	142,546	140,265	-	-	1,573,442	1,606,685	-	-	1,573,442	1,606,685
	11,321,934	9,588,405	57,454	296,773	1,078,658	1,183,747	-	-	12,458,046	11,068,925	-	-	12,458,046	11,068,925
Other segmental information:														
Capital expenditure	-	-	-	-	12,328	217,516	-	-	12,328	217,516	-	-	12,328	217,516

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 September 2024

14. Contingent Liabilities

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
	Guarantee provided for murabaha payable of joint venture	8,818,875	9,411,478

The joint venture (Note 7) has a Murabaha payable, which the joint venture partner and the Group have given a joint and several guarantee to the lending financial institution.

15. Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention, or need, to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Financial instruments comprise of financial assets and financial liabilities.

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months), the carrying amount approximates their fair value. The fair values of financial instruments are not materially different from their carrying values.

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 an active market for identical assets and liabilities:

Level 2 : inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and

Level 3 : inputs are unobservable inputs for the asset or liability.

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

30 September 2024	Kuwaiti Dinars		
	Level 1	Level 3	Total
Financial assets at fair value			
<i>Financial assets at fair value through profit or loss:</i>			
Quoted equities	523,004		523,004
Unquoted equity securities	-	8,878,140	8,878,140
	523,004	8,878,140	9,401,144
30 September 2023	Kuwaiti Dinars		
Financial assets at fair value			
<i>Financial assets at fair value through profit or loss:</i>			
Quoted equities	2,549,835	-	2,549,835
Unquoted equity securities	-	4,476,993	4,476,993
	2,549,835	4,476,993	7,026,828

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Measurement at fair value

The Method and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting year/period.

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

	Kuwaiti Dinars				
	As at 1 January 2024	Gain recorded in the consolidated statement of income	Gain recorded in other comprehensive income	Net purchases, sales and settlements	As at 30 September 2024
Financial assets at fair value					
<i>Unquoted equity securities</i>	4,855,556	120,809	-	3,901,775	8,878,140

	Kuwaiti Dinars				
	As at 1 January 2023	Gain recorded in the consolidated statement of income	Gain recorded in other comprehensive income	Net purchases, sales and settlements	As at 30 September 2023
Financial assets at fair value					
<i>Unquoted equity securities</i>	4,487,854	88,279	51,244	(150,384)	4,476,993

During the period ended 30 September 2024, there were no transfers between the hierarchies.