

**Kamco Investment Company K.S.C.P.
and Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

PERIOD ENDED 31 MARCH 2023



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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kamco Investment Company K.S.C.P. (the “Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2023, and the related interim condensed consolidated statement of income, 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-month period then ended. Management of the Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with 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 basis of preparation as 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 accounts of the 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 Company’s Memorandum of Incorporation and Articles of Association, as amended, during the three-month period ended 31 March 2023 that might have had a material effect on the business of the 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. 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-month period ended 31 March 2023 that might have had a material effect on the business of the Company or on its financial position.



WALEED A. AL OSAIMI

LICENCE NO 68 A

EY

AL-AIBAN, AL-OSAIMI & PARTNERS

11 May 2023
Kuwait

Kamco Investment Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2023

		31 March 2023 KD	(Audited) 31 December 2022 KD	31 March 2022 KD
	<i>Notes</i>			
ASSETS				
Cash and cash equivalents	3	33,366,872	37,298,164	33,843,574
Loans and advances		4,774,785	4,808,113	4,762,305
Financial assets at fair value through profit or loss		26,241,185	26,937,241	33,546,431
Financial assets at fair value through other comprehensive income		6,507,641	6,723,230	7,855,550
Assets held for sale	8	8,371,567	706,275	-
Investment in associates		22,508,861	23,157,164	24,735,803
Other assets	4	10,355,698	12,706,036	13,934,003
Investment properties		12,001,401	12,000,925	11,811,820
Property and equipment		1,465,527	1,459,661	984,757
Intangible assets		3,539,149	3,649,950	3,831,987
TOTAL ASSETS		129,132,686	129,446,759	135,306,230
LIABILITIES AND EQUITY				
LIABILITIES				
Loans		5,000,000	5,000,000	5,000,000
Bonds		40,000,000	40,000,000	40,000,000
Other liabilities		18,222,492	18,383,027	22,013,536
TOTAL LIABILITIES		63,222,492	63,383,027	67,013,536
EQUITY				
Share capital		34,233,263	34,233,263	34,233,263
Share premium		9,089,045	9,089,045	9,089,045
Statutory reserve		7,413,826	7,413,826	6,822,832
Voluntary reserve		2,012,607	2,012,607	1,421,613
Revaluation reserve		934,057	934,057	934,057
Cumulative changes in fair values		(6,846,139)	(6,688,775)	(7,133,593)
Foreign currency translation reserve		871,996	852,462	593,757
Retained earnings		13,097,805	14,661,312	18,584,026
Equity attributable to equity holders of the Company		60,806,460	62,507,797	64,545,000
Non-controlling interests		5,103,734	3,555,935	3,747,694
TOTAL EQUITY		65,910,194	66,063,732	68,292,694
TOTAL LIABILITIES AND EQUITY		129,132,686	129,446,759	135,306,230

Talal Ali Abdullah Al Jaber Al Sabah
Chairman

Faisal Mansour Sarkhou
Chief Executive Officer

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

Kamco Investment Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 31 March 2023

		<i>Three months ended 31 March</i>	
		<i>2023</i>	<i>2022</i>
	<i>Notes</i>	<i>KD</i>	<i>KD</i>
INCOME			
Fee income	6	3,279,329	4,818,625
Net (loss) gain on financial assets at fair value through profit or loss	7	(779,100)	2,308,371
Share of results of associates		(635,107)	1,798,947
Dividend income		80,705	36,175
Interest income		348,020	233,471
Foreign exchange gain (loss)		65,303	(226,068)
Rental income		220,453	158,965
Other income		63,063	45,608
		2,642,666	9,174,094
EXPENSES			
General and administrative expenses		3,467,567	4,788,277
Finance costs		676,814	527,653
Provision for expected credit losses on financial assets		41,138	108,818
Provision for (reversal of) expected credit losses on loans and advances		5,830	(18,369)
		4,191,349	5,406,379
(LOSS) PROFIT FOR THE PERIOD BEFORE TAXATION		(1,548,683)	3,767,715
Contribution to KFAS		-	(34,921)
Zakat		-	(42,398)
NLST		-	(105,995)
(LOSS) PROFIT FOR THE PERIOD		(1,548,683)	3,584,401
Attributable to:			
Equity holders of the Company		(1,564,543)	3,603,768
Non-controlling interests		15,860	(19,367)
		(1,548,683)	3,584,401
BASIC AND DILUTED (LOSS) EARNINGS PER SHARE –			
Attributable to equity holders of the Company	5	(4.57) fils	10.53 fils

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

Kamco Investment Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2023

	<i>Three months ended 31 March</i>	
	2023	2022
	KD	KD
(Loss) profit for the period	(1,548,683)	3,584,401
Other comprehensive income:		
<i>Items that are or may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>		
Foreign currency translation adjustments	21,659	136,898
<i>Items that will not be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>		
Share of other comprehensive income of associates	-	151,131
Net (loss) income on equity instruments at fair value through other comprehensive income	(165,063)	229,221
	(165,063)	380,352
Total other comprehensive (loss) income for the period	(143,404)	517,250
Total comprehensive (loss) income for the period	(1,692,087)	4,101,651
Attributable to:		
Equity holders of the Company	(1,701,337)	4,108,518
Non-controlling interests	9,250	(6,867)
	(1,692,087)	4,101,651

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

Kamco Investment Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2023

	Attributable to shareholders of the Company										
	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Revaluation reserve KD	Cumulative changes in fair values KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	Non-controlling interests KD	Total equity KD
As at 1 January 2023	34,233,263	9,089,045	7,413,826	2,012,607	934,057	(6,688,775)	852,462	14,661,312	62,507,797	3,555,935	66,063,732
(Loss) profit for the period	-	-	-	-	-	-	-	(1,564,543)	(1,564,543)	15,860	(1,548,683)
Other comprehensive (loss) income	-	-	-	-	-	(156,328)	19,534	-	(136,794)	(6,610)	(143,404)
Total comprehensive (loss) income for the period	-	-	-	-	-	(156,328)	19,534	(1,564,543)	(1,701,337)	9,250	(1,692,087)
Transfer on disposal of equity investments at FVOCI to retained earnings	-	-	-	-	-	(1,036)	-	1,036	-	-	-
Ownership changes in subsidiary without loss of control (Note 9)	-	-	-	-	-	-	-	-	-	1,592,186	1,592,186
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	(53,637)	(53,637)
As at 31 March 2023	34,233,263	9,089,045	7,413,826	2,012,607	934,057	(6,846,139)	871,996	13,097,805	60,806,460	5,103,734	65,910,194
	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Revaluation reserve KD	Cumulative changes in fair values KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	Non-controlling interests KD	Total equity KD
As at 1 January 2022	34,233,263	9,089,045	6,822,832	1,421,613	934,057	(7,493,568)	469,625	14,959,615	60,436,482	3,758,775	64,195,257
Profit (loss) for the period	-	-	-	-	-	-	-	3,603,768	3,603,768	(19,367)	3,584,401
Other comprehensive income	-	-	-	-	-	380,618	124,132	-	504,750	12,500	517,250
Total comprehensive income (loss) for the period	-	-	-	-	-	380,618	124,132	3,603,768	4,108,518	(6,867)	4,101,651
Transfer of reserve on disposal of subsidiaries (Note 9)	-	-	-	-	-	(20,643)	-	20,643	-	-	-
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	(4,214)	(4,214)
As at 31 March 2022	34,233,263	9,089,045	6,822,832	1,421,613	934,057	(7,133,593)	593,757	18,584,026	64,545,000	3,747,694	68,292,694

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

Kamco Investment Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 31 March 2023

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		<i>2023</i>	<i>2022</i>
		<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
(Loss) profit for the period before taxation		(1,548,683)	3,767,715
<i>Adjustments for:</i>			
Unrealized loss (gain) on financial assets at fair value through profit or loss	7	770,021	(1,839,360)
Share of results of associates		635,107	(1,798,947)
Dividend income		(80,705)	(36,175)
Interest income		(348,020)	(233,471)
Foreign exchange (gain) loss		(65,303)	226,068
Finance costs		673,417	527,653
Interest on lease liabilities		3,397	-
Depreciation on property and equipment		23,301	22,018
Depreciation on right of use assets		19,543	-
Amortization		129,714	113,182
Provision for expected credit losses on financial assets		41,138	108,818
Provision for (reversal of) expected credit losses on loans and advances		5,830	(18,369)
Provision for employees' end of service benefits		155,123	396,017
		413,880	1,235,149
<i>Changes in operating assets and liabilities:</i>			
Loans and advances		32,503	1,474,050
Financial assets at fair value through profit or loss		287,247	(4,536,883)
Other assets		1,951,936	217,844
Other liabilities		(164,124)	1,053,357
Cash from (used in) operations		2,521,442	(556,483)
Dividend received		80,705	36,175
Employees' end of service benefits paid		(90,783)	(47,395)
Tax paid		(58,709)	(98,847)
Net cash flows from (used in) operating activities		2,452,655	(666,550)
INVESTING ACTIVITIES			
Purchase of financial assets at fair value through other comprehensive income		-	(186,015)
Proceeds from sale of financial assets at fair value through other comprehensive income		50,527	5,708
Net withdrawal of deposits		803,458	1,946,297
Purchase of property and equipment		(57,143)	(47,178)
Purchase of intangible assets		(18,792)	(73,878)
Capital expenditure on investment properties		-	(13,062)
Acquisition of non-current asset classified as held for sale		(7,664,716)	-
Proceeds from disposal of subsidiaries		-	89,181
Dividend received from investment in associates		17,660	31,223
Interest income received		344,072	235,802
Net cash flows (used in) from investing activities		(6,524,934)	1,988,078

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

Kamco Investment Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 31 March 2023

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		<i>2023 KD</i>	<i>2022 KD</i>
FINANCING ACTIVITIES			
Dividend paid to the equity holders of the Company		(2,167)	(2,387)
Finance costs paid		(653,737)	(527,653)
Payment of principal portion of lease liabilities		(22,952)	-
Proceeds from ownership changes in subsidiary without loss of control		1,592,186	-
Distribution to non-controlling interest		(53,637)	(4,214)
Net cash flows from (used in) financing activities		859,693	(534,254)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,212,586)	787,274
Foreign currency translation adjustments		84,752	(157,724)
Cash and cash equivalents at 1 January		33,744,706	29,371,013
CASH AND CASH EQUIVALENTS AT 31 MARCH	3	30,616,872	30,000,563

The attached notes 1 to 14 form part of this 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 INCORPORATION AND PRINCIPAL ACTIVITIES

The interim condensed consolidated financial information of Kamco Investment Company K.S.C.P. (the “Company”) and subsidiaries (collectively the “Group”) for the three months ended 31 March 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 11 May 2023.

The Company is a Kuwaiti closed shareholding company registered and incorporated in Kuwait on 16 September 1998 under the Commercial Companies Law No. 15 of 1960 and amendments thereto and is listed on Boursa Kuwait. The Company is registered with the Central Bank of Kuwait (“CBK”) as an investment company and is subject to the supervision of Capital Markets Authority of Kuwait (“CMA”).

The Group is a subsidiary of United Gulf Bank B.S.C. (the “Parent Company”). The Parent Company is a subsidiary of Kuwait Projects Company Holding K.S.C.P. (the “Ultimate Parent Company” or “KIPCO”) which is listed on the Boursa Kuwait.

The Company’s registered head office is at Sharq, Al Shaheed Tower, Khalid Bin Al-Waleed Street, Kuwait City, P.O. Box 28873, Safat 13149, Kuwait.

The purpose for which the Company has been established is to undertake the following activities:

1. Investing in different financial, industrial, real estate, agricultural, and services sectors as directly or indirectly by contribution in outstanding companies or establishment of specialized companies in the mentioned activities, or ownership of projects that fulfill that for the interest of the Company.
2. Manager of investment portfolio.
3. Brokerage in Lending and Borrowing Operations.
4. Subscription agent.
5. Providing loans for third parties with duly observing the ethics of financial solvency in granting such loans and at the same time preserving the continuity of the company’s financial position soundness according to the conditions, rules, and limitations set forth by the Central Bank of Kuwait.
6. Dealing and trading in foreign currency market and precious metals market inside Kuwait and abroad for the interest of the Company or its clients.
7. Purchase and sale of securities of local and international companies and governmental authorities for the interest of the Company or its clients.
8. Manager of investment pooling.
9. Ownership of properties and movables necessary for achieving its goals for the interest of the Company or its clients.
10. Unregistered Broker of financial securities in the stock exchange market.
11. Investment consultant.
12. Custodian.
13. Market maker.
14. Financing export and import operations by direct financing or accepting transfers drawn on the Company for short terms.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the three-month period ended 31 March 2023 has been prepared in accordance with IAS 34 *Interim Financial Reporting* except, as noted below:

The consolidated financial statements for the year ended 31 December 2022 were prepared in accordance with the regulations for financial services institutions as issued by the CBK in the State of Kuwait. These regulations require the expected credit loss ("ECL") on credit facilities (i.e. loans and advances) to be measured at the higher of the amount computed under IFRS 9 in accordance 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).

The interim condensed consolidated financial information provides comparative information in respect of the previous period.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

Further, results for the three-month period 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 adopted in the preparation of the 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 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial information of the Group.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments had no impact on the interim condensed consolidated financial information of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

3 CASH AND CASH EQUIVALENTS

	31 March 2023 KD	<i>(Audited)</i> 31 December 2022 KD	31 March 2022 KD
Cash at banks and on hand	25,154,233	29,240,333	23,848,296
Deposits with banks	8,212,639	8,057,831	9,995,278
Cash and cash equivalents for the purpose of the interim condensed consolidated statement of financial position	33,366,872	37,298,164	33,843,574
Less: deposits with banks with original maturity of more than three months	(2,750,000)	(3,553,458)	(3,843,011)
Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows	30,616,872	33,744,706	30,000,563

4 OTHER ASSETS

	31 March 2023 KD	<i>(Audited)</i> 31 December 2022 KD	31 March 2022 KD
Due from portfolio clients	1,257,237	1,798,164	1,671,538
Accrued income	1,899,904	2,495,471	2,307,533
Other receivables and deposits	11,852,373	13,044,190	14,479,549
	15,009,514	17,337,825	18,458,620
Less: provision for expected credit losses	(4,653,816)	(4,631,789)	(4,524,617)
	10,355,698	12,706,036	13,934,003

5 BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share amounts are calculated by dividing the (loss) profit for the period attributable to equity holders of the Company by the weighted average number of paid-up shares, less treasury shares outstanding during the period. Diluted (loss) earnings per share is calculated by dividing the (loss) profit for the period by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted (loss) earnings per share are identical.

	<i>Three months ended</i> 31 March	
	2023	2022
Basic and diluted (loss) earnings per share:		
(Loss) profit for the period attributable to equity holders of the Company (KD)	(1,564,543)	3,603,768
Weighted average number of outstanding shares	342,332,633	342,332,633
Basic and diluted (loss) earnings per share	(4.57) fils	10.53 fils

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

6 FEE INCOME

	<i>Three months ended 31 March</i>	
	<i>2023 KD</i>	<i>2022 KD</i>
Management fees on assets under management	2,222,953	2,665,212
Incentive fees on assets under management	-	269,348
Placement fees/structuring fee/redemption fees – managed funds and other fees	50,889	1,231,872
Investment banking fees	510,125	65,000
Brokerage fees	434,228	540,145
Other fees on assets under management	61,134	47,048
	3,279,329	4,818,625
Timing of revenue recognition		
Services transferred at a point in time	995,242	2,106,365
Services transferred over time	2,284,087	2,712,260
	3,279,329	4,818,625

7 NET (LOSS) GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>Three months ended 31 March</i>	
	<i>2023 KD</i>	<i>2022 KD</i>
Realized (loss) gain	(9,079)	469,011
Unrealized (loss) gain	(770,021)	1,839,360
	(779,100)	2,308,371

8 ASSETS HELD FOR SALE

During the period, the Group made an investment in a certain special purpose vehicle (the “Entity”) with a carrying value amounting to KD 7,664,716 (USD 25,003 thousand) classified in accordance with IFRS 5 - Non-current Assets held for sale as the Group actively plans to dispose its stake in this entity. As at the reporting date, the underlying assets of the entity constitute financial assets while there are no liabilities associated with the entity.

Upon initial recognition, the Group considered the above Entities meet the criteria to be classified as held for sale for the following reasons:

- ▶ These Entities are available for immediate sale and can be disposed of in their current condition.
- ▶ The actions to complete disposal are initiated and are to be completed within one year from the date of acquisition.
- ▶

The prior period transactions were as follows:

- i. The Group made an investment in certain special purpose vehicles (the “Entities”), for a consideration of KD 1,910,313 (USD: 6,250 thousand). Through these Entities, the Group acquired a property in the United State of America and classified it as “disposal group held for sale”.

Subsequently, the Group fully disposed its interest in these Entities for a consideration equivalent to its carrying value. Accordingly, no gain or loss from the disposal of these Entities was recognized in the interim condensed consolidated statement of income.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

8 ASSETS HELD FOR SALE (continued)

- ii. Further, the Group made an investment in certain special purpose vehicles (the “Entities”) and subsequently disposed majority interest in the Entities with the remaining interest amounting to KD 706,275 (USD 2,300 thousand) classified in accordance with IFRS 5 - Non-current Assets held for sale as the Group actively plans to dispose its stake in these Entities.

9 INVESTMENT IN SUBSIDIARIES

- a. During the period, the effective ownership of the Group in Kamco Global Fund decreased from 90.75% to 59.02% on account of additional subscriptions by other unit holders in the fund. This resulted in an increase of non-controlling interests amounting to KD 1,492,252.
- b. Further, the effective ownership of the Group in KAMCO MENA Plus Fixed Income Fund OEIC Ltd. decreased from 56.08% to 54.62% on account of additional subscriptions by other unit holders in the fund. This resulted in an increase of non-controlling interests amounting to KD 99,934.

During the prior period, the Group fully disposed its stake in subsidiaries, Al Zad Real Estate Company W.L.L., First North Africa Real Estate Company W.L.L. and Al Dhiyafa United Real Estate Company W.L.L. to third parties.

10 ANNUAL GENERAL ASSEMBLY

The Annual General Assembly of equity holders held on 11 April 2023 approved the consolidated financial statements of the Group for the year ended 31 December 2022 and resolved to distribute dividends of 10 fils per share (2021: 10 fils).

11 COMMITMENTS AND CONTINGENCIES

The total outstanding contingent liabilities and commitments are as follows:

	31 March 2023 KD	(Audited) 31 December 2022 KD	31 March 2022 KD
Commitments			
Commitments to invest in private equity funds	252,904	252,698	250,718
Contingent liability			
Irrevocable and unconditional bank guarantee	647,370	646,933	669,952

Commitments to invest in private equity funds

Commitments to invest in private equity funds represent the uncalled capital by the investment managers (general partners) of various private equity funds in which the Group has made investments. The capital can be called at the investment manager's discretion.

The Group is engaged in litigation cases, which involve claims made by and against the Group which have arisen in the ordinary course of business. The management of the Group, after reviewing the claims pending against the Company and Group companies and based on the advice of the relevant professional legal advisors, are satisfied that the outcome of these claims will not have a material adverse effect on the interim condensed consolidated financial information of the Group.

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

12 RELATED PARTY TRANSACTIONS

Related parties represent the Parent Company / Ultimate Parent Company, associates, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management. Balances and transactions with related parties are as follows:

	<i>Parent Company / Ultimate Parent Company KD</i>	<i>Associates KD</i>	<i>Other related parties KD</i>	<i>31 March 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>31 March 2022 KD</i>
<i>Interim condensed consolidated statement of financial position:</i>						
Cash and cash equivalents	3,802,067	-	3,148,286	6,950,353	8,751,106	4,564,339
Financial assets at fair value through profit or loss	5,378	-	629,375	634,753	637,642	855,025
Financial assets at fair value through other comprehensive income	-	-	978,191	978,191	1,130,593	1,798,127
Other assets	337,125	179,763	250,738	767,626	2,134,136	2,660,152
Other liabilities	-	-	50,190	50,190	15,391	48,105
				<i>Three months ended 31 March</i>		
				<i>2023</i>	<i>2022</i>	
				<i>KD</i>	<i>KD</i>	
<i>Interim condensed consolidated statement of income:</i>						
Fee income	105,104	125,337	655,097	885,538	562,603	
Dividend income	-	-	-	-	2,171	
Interest income	1,918	-	18,450	20,368	1,023	
Other income	-	-	5,800	5,800	9,250	
General and administrative expenses	-	-	197,472	197,472	201,962	
				<i>Three months ended 31 March</i>		
				<i>2023</i>	<i>2022</i>	
				<i>KD</i>	<i>KD</i>	
<i>Key management personnel compensation:</i>						
Short-term employee benefits				245,628	244,649	
Termination benefits				26,603	31,154	
				272,231	275,803	

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

13 SEGMENT INFORMATION

The Group is organized into four major business segments based on internal reporting provided to the management. The Group does not have material inter-segment transactions. The principal activities and services under these segments are as follows:

Investment banking and Advisory	: Private placement of equities and debt, advising and managing listings, initial public offerings (IPOs), arranging conventional and Islamic debt, buy and sell side advisory, advising on strategy, privatization, mergers and reverse mergers and acquisitions and debt restructuring.
Asset management	: Asset management services cover both local and international markets and include securities trading, derivatives trading, discretionary and non-discretionary portfolio management, custody services, portfolio structuring and asset allocation advice, mutual funds and alternative instruments.
Brokerage	: Quoted and unquoted equity and debt instruments brokerage activities and margin financing
Strategic investments and corporate overheads	: Strategic investments include investments which are long term in nature and are aligned with the Group's long-term strategy. Corporate overheads include all support services.

Management monitors operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segmental return on investments.

The following table presents information regarding the Group's operating segments.

<i>Three months ended 31 March 2023</i>					
	<i>Investment banking and Advisory KD</i>	<i>Asset management KD</i>	<i>Brokerage KD</i>	<i>Strategic investments and corporate overheads KD</i>	<i>Total KD</i>
Total revenue	515,038	698,479	537,028	892,121	2,642,666
Profit (loss) for the period	257,792	(505,130)	93,237	(1,394,582)	(1,548,683)
Total assets	25,000	49,515,498	16,727,599	62,864,589	129,132,686
Total liabilities	-	15,462,830	833,013	46,926,649	63,222,492
<i>Three months ended 31 March 2022</i>					
	<i>Investment banking and Advisory KD</i>	<i>Asset management KD</i>	<i>Brokerage KD</i>	<i>Strategic investments and corporate overheads KD</i>	<i>Total KD</i>
Total revenue	67,719	8,143,349	646,784	316,242	9,174,094
(Loss) profit for the period	(116,708)	7,109,400	158,393	(3,566,684)	3,584,401
Total assets	174,198	52,981,699	16,759,317	65,391,016	135,306,230
Total liabilities	-	15,408,185	953,270	50,652,081	67,013,536

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

14 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) market prices in active markets for identical assets or liabilities;
- ▶ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- ▶ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial instruments

The following table shows an analysis of financial instruments recorded at fair value:

31 March 2023	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Financial assets at fair value				
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equities	2,398,285	-	-	2,398,285
Unquoted equities	-	-	1,118,500	1,118,500
Quoted debt securities	3,603,562	-	-	3,603,562
Unquoted debt securities	-	-	100,000	100,000
Managed funds	1,214,940	12,543,100	5,262,798	19,020,838
	<u>7,216,787</u>	<u>12,543,100</u>	<u>6,481,298</u>	<u>26,241,185</u>
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equities	534,180	-	-	534,180
Unquoted equities	-	-	5,960,900	5,960,900
Managed funds	-	-	12,561	12,561
	<u>534,180</u>	<u>-</u>	<u>5,973,461</u>	<u>6,507,641</u>

Kamco Investment Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

14 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Financial instruments (continued)

31 March 2022	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Financial assets at fair value				
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equities	5,652,499	-	-	5,652,499
Unquoted equities	-	-	654,688	654,688
Quoted debt securities	3,748,792	-	-	3,748,792
Unquoted debt securities	-	-	250,000	250,000
Managed funds	1,665,315	14,567,423	7,007,714	23,240,452
	<u>11,066,606</u>	<u>14,567,423</u>	<u>7,912,402</u>	<u>33,546,431</u>
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equities	339,006	-	-	339,006
Unquoted equities	-	-	7,503,983	7,503,983
Managed funds	-	-	12,561	12,561
	<u>339,006</u>	<u>-</u>	<u>7,516,544</u>	<u>7,855,550</u>

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

	As at 1 January 2023 KD	Gain (loss) recorded in the consolidated statement of income KD	Purchase / transfers, settlements and sales (net) KD	Gain (loss) recorded in other comprehensive income KD	As at 31 March 2023 KD
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equities	652,234	6,000	460,266	-	1,118,500
Unquoted debt securities	100,000	-	-	-	100,000
Managed funds	5,342,025	(124,906)	45,679	-	5,262,798
	<u>6,094,259</u>	<u>(118,906)</u>	<u>505,945</u>	<u>-</u>	<u>6,481,298</u>
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equities	6,076,434	-	(5,713)	(109,821)	5,960,900
Managed funds	12,561	-	-	-	12,561
	<u>6,088,995</u>	<u>-</u>	<u>(5,713)</u>	<u>(109,821)</u>	<u>5,973,461</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three months ended 31 March 2023.

The impact on the interim condensed consolidated statement of financial position and the interim condensed consolidated statement of income would be immaterial if the relevant risk variables used to fair value the unquoted securities and unquoted funds managed by external fund managers were altered by 5%.

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over.

We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

The MENA practice of EY has been operating in the region since 1923. For more than 90 years, we have grown to more than 6,000 people united across 20 offices and 15 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

© 2017 EYGM Limited.

All Rights Reserved.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com/mena