

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

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

PERIOD ENDED 30 SEPTEMBER 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 30 September 2023, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-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 nine-month period ended 30 September 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 nine-month period ended 30 September 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

9 November 2023

Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2023

		30 September 2023 KD	(Audited) 31 December 2022 KD	30 September 2022 KD
	Notes			
ASSETS				
Cash and cash equivalents	3	26,952,022	37,298,164	31,536,339
Loans and advances		4,823,473	4,808,113	4,856,009
Financial assets at fair value through profit or loss		37,553,189	26,937,241	27,741,338
Financial assets at fair value through other comprehensive income		6,489,516	6,723,230	7,279,604
Assets held for sale	8	-	706,275	2,255,111
Investment in associates		22,644,233	23,157,164	23,574,647
Other assets	4	11,588,573	12,706,036	12,353,667
Investment properties		12,007,381	12,000,925	11,839,883
Property and equipment		1,489,823	1,459,661	1,045,766
Intangible assets		3,350,167	3,649,950	3,749,919
TOTAL ASSETS		126,898,377	129,446,759	126,232,283
LIABILITIES AND EQUITY				
LIABILITIES				
Loans		49,000,000	5,000,000	5,000,000
Bonds		-	40,000,000	40,000,000
Other liabilities		15,097,417	18,383,027	16,140,938
TOTAL LIABILITIES		64,097,417	63,383,027	61,140,938
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		(6,887,584)	(6,688,775)	(7,406,323)
Foreign currency translation reserve		1,089,453	852,462	1,215,824
Retained earnings		9,843,995	14,661,312	15,199,265
Equity attributable to equity holders of the Company		57,728,662	62,507,797	61,509,576
Non-controlling interests		5,072,298	3,555,935	3,581,769
TOTAL EQUITY		62,800,960	66,063,732	65,091,345
TOTAL LIABILITIES AND EQUITY		126,898,377	129,446,759	126,232,283

Talal AliAbdullah 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 30 September 2023

	<i>Notes</i>	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
		<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
INCOME					
Fee income	6	3,177,818	3,148,779	9,415,686	13,769,239
Net (loss) gain on financial assets at fair value through profit or loss	7	(875,323)	(638,962)	(374,155)	399,034
Share of results of associates		(376,259)	(516,624)	(429,380)	805,969
Dividend income		54,234	187,915	522,691	515,894
Interest income		327,982	291,637	995,999	788,635
Foreign exchange gain		64,796	223,993	237,119	81,790
Rental income		238,520	185,438	691,820	511,655
Other income		38,247	43,999	120,356	99,176
		2,650,015	2,926,175	11,180,136	16,971,392
EXPENSES					
General and administrative expenses		3,235,959	3,119,275	10,294,955	11,327,421
Finance costs		759,862	591,826	2,176,255	1,652,578
Provision for expected credit losses on financial assets		150,044	97,543	77,048	160,712
(Reversal of) provision for expected credit losses on loans and advances, net		(2,033)	25,978	5,633	(74,041)
		4,143,832	3,834,622	12,553,891	13,066,670
(LOSS) PROFIT FOR THE PERIOD BEFORE TAXATION		(1,493,817)	(908,447)	(1,373,755)	3,904,722
Contribution to KFAS		800	8,000	-	(39,721)
Zakat		800	10,000	-	(48,198)
NLST		3,500	23,000	-	(119,795)
(LOSS) PROFIT FOR THE PERIOD		(1,488,717)	(867,447)	(1,373,755)	3,697,008
Attributable to:					
Equity holders of the Company		(1,497,553)	(824,088)	(1,395,027)	3,821,862
Non-controlling interests		8,836	(43,359)	21,272	(124,854)
		(1,488,717)	(867,447)	(1,373,755)	3,697,008
BASIC AND DILUTED (LOSS) EARNINGS PER SHARE –					
Attributable to equity holders of the Company	5	(4.37) fils	(2.41) fils	(4.08) fils	11.16 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 30 September 2023

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
(Loss) profit for the period	(1,488,717)	(867,447)	(1,373,755)	3,697,008
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	211,801	378,454	272,353	819,752
<i>Items that will not be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>				
Share of other comprehensive (loss) income of associates	(20,508)	(29)	(41,431)	151,067
Net loss on equity instruments at fair value through other comprehensive income	(245,117)	(49,818)	(178,234)	(261,695)
	(265,625)	(49,847)	(219,665)	(110,628)
Total other comprehensive (loss) income for the period	(53,824)	328,607	52,688	709,124
Total comprehensive (loss) income for the period	(1,542,541)	(538,840)	(1,321,067)	4,406,132
Attributable to:				
Equity holders of the Company	(1,559,679)	(532,413)	(1,355,809)	4,496,420
Non-controlling interests	17,138	(6,427)	34,742	(90,288)
	(1,542,541)	(538,840)	(1,321,067)	4,406,132

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 30 September 2023

	<i>Attributable to shareholders of the Company</i>										
	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Revaluation reserve KD</i>	<i>Cumulative changes in fair values KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
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	-	-	-	-	-	-	-	(1,395,027)	(1,395,027)	21,272	(1,373,755)
Other comprehensive (loss) income	-	-	-	-	-	(197,773)	236,991	-	39,218	13,470	52,688
Total comprehensive (loss) income for the period	-	-	-	-	-	(197,773)	236,991	(1,395,027)	(1,355,809)	34,742	(1,321,067)
Transfer on disposal of equity investments at FVOCI to retained earnings	-	-	-	-	-	(1,036)	-	1,036	-	-	-
Dividends (Note 10)	-	-	-	-	-	-	-	(3,423,326)	(3,423,326)	-	(3,423,326)
Ownership changes in subsidiary without loss of control (Note 9)	-	-	-	-	-	-	-	-	-	1,665,630	1,665,630
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	(184,009)	(184,009)
As at 30 September 2023	34,233,263	9,089,045	7,413,826	2,012,607	934,057	(6,887,584)	1,089,453	9,843,995	57,728,662	5,072,298	62,800,960
	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Revaluation reserve KD</i>	<i>Cumulative changes in fair values KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
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	-	-	-	-	-	-	-	3,821,862	3,821,862	(124,854)	3,697,008
Other comprehensive (loss) income	-	-	-	-	-	(71,641)	746,199	-	674,558	34,566	709,124
Total comprehensive (loss) income for the period	-	-	-	-	-	(71,641)	746,199	3,821,862	4,496,420	(90,288)	4,406,132
Transfer on disposal of subsidiaries (Note 9)	-	-	-	-	-	(20,643)	-	20,643	-	-	-
Transfer on disposal of equity investments at FVOCI to retained earnings	-	-	-	-	-	179,529	-	(179,529)	-	-	-
Dividends (Note 10)	-	-	-	-	-	-	-	(3,423,326)	(3,423,326)	-	(3,423,326)
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	(86,718)	(86,718)
As at 30 September 2022	34,233,263	9,089,045	6,822,832	1,421,613	934,057	(7,406,323)	1,215,824	15,199,265	61,509,576	3,581,769	65,091,345

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 30 September 2023

	<i>Notes</i>	<i>Nine months ended 30 September</i>	
		2023	2022
		KD	KD
OPERATING ACTIVITIES			
(Loss) profit for the period before taxation		(1,373,755)	3,904,722
<i>Adjustments for:</i>			
Unrealized loss on financial assets at fair value through profit or loss	7	359,900	391,155
Share of results of associates		429,380	(805,969)
Dividend income		(522,691)	(515,894)
Interest income		(995,999)	(788,635)
Foreign exchange gain		(237,119)	(81,790)
Finance costs		2,166,039	1,652,578
Finance cost on lease liabilities		10,216	-
Depreciation on property and equipment		69,054	64,105
Depreciation on right of use assets		58,714	-
Amortization		389,478	344,099
Provision for expected credit losses on loans and advances		5,633	160,712
Provision for (reversal of) expected credit losses on financial assets		77,048	(74,041)
Provision for employees' end of service benefits		748,920	998,315
		1,184,818	5,249,357
<i>Changes in operating assets and liabilities:</i>			
Loans and advances		33,732	1,578,075
Financial assets at fair value through profit or loss		(10,269,577)	(410,789)
Other assets		1,029,739	1,220,653
Other liabilities		(3,087,989)	(4,985,083)
Cash (used in) from operations		(11,109,277)	2,652,213
Dividend received		522,691	515,894
Employees' end of service benefits paid		(243,521)	(260,953)
Taxes paid		(247,298)	(449,133)
Net cash flows (used in) from operating activities		(11,077,405)	2,458,021
INVESTING ACTIVITIES			
Purchase of financial assets at fair value through other comprehensive income		-	(585,562)
Proceeds from sale of financial assets at fair value through other comprehensive income		55,482	490,287
Net movement in deposits		(1,357,900)	1,778,233
Purchase of property and equipment		(157,195)	(132,357)
Purchase of intangible assets		(88,112)	(218,601)
Capital expenditure on investment properties		-	(25,350)
Acquisition of non-current asset classified as held for sale		-	(4,165,424)
Proceeds from disposal of non-current asset classified as held for sale		-	1,911,625
Proceeds on disposal of subsidiaries		-	89,181
Dividend received from investment in associates		98,244	331,689
Interest income received		1,006,675	765,083
Net cash flows (used in) from investing activities		(442,806)	238,804

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 30 September 2023

	<i>Notes</i>	<i>Nine months ended 30 September</i>	
		2023	2022
		KD	KD
FINANCING ACTIVITIES			
Loans availed		44,000,000	-
Settlement of bond		(40,000,000)	-
Dividend paid to the equity holders of the Company		(3,381,146)	(3,357,237)
Finance costs paid		(2,604,751)	(1,618,066)
Payment of principal portion of lease liabilities		(69,406)	-
Proceeds from ownership changes in subsidiaries without loss of control		1,665,630	-
Distribution to non-controlling interests		(184,009)	(86,718)
Net cash flows used in financing activities		(573,682)	(5,062,021)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(12,093,893)	(2,365,196)
Foreign currency translation adjustments		389,851	519,447
Cash and cash equivalents at 1 January		33,744,706	29,371,013
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	3	22,040,664	27,525,264

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 30 September 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 nine months ended 30 September 2023 were authorized for issue by the Board of Directors on 9 November 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 Company 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 30 September 2023

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the nine-month period ended 30 September 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 nine-month period ended 30 September 2023, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies 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 30 September 2023

3 CASH AND CASH EQUIVALENTS

	<i>30 September 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 September 2022 KD</i>
Cash at banks and on hand	17,121,197	29,240,333	23,766,352
Deposits with banks	9,830,825	8,057,831	7,769,987
Cash and cash equivalents for the purpose of the interim condensed consolidated statement of financial position	26,952,022	37,298,164	31,536,339
Less: deposits with banks with original maturity of more than three months	(4,911,358)	(3,553,458)	(4,011,075)
Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows	22,040,664	33,744,706	27,525,264

4 OTHER ASSETS

	<i>30 September 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 September 2022 KD</i>
Due from portfolio clients	1,389,677	1,798,164	1,662,025
Accrued income	2,321,600	2,495,471	2,491,273
Other receivables and deposits	12,591,500	13,044,190	12,852,818
	16,302,777	17,337,825	17,006,116
Less: provision for expected credit losses	(4,714,204)	(4,631,789)	(4,652,449)
	11,588,573	12,706,036	12,353,667

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 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Basic and diluted earnings per share:				
(Loss) profit for the period attributable to equity holders of the Company (KD)	(1,497,553)	(824,088)	(1,395,027)	3,821,862
Weighted average number of outstanding shares	342,332,633	342,332,633	342,332,633	342,332,633
Basic and diluted (loss) earnings per share	(4.37) fils	(2.41) fils	(4.08) fils	11.16 fils

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 30 September 2023

6 FEE INCOME

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
Management fees on assets under management	2,328,220	2,526,314	6,963,040	7,712,902
Incentive fees on assets under management	2,295	431	2,295	537,483
Placement fees/structuring fee/redemption fees – managed funds and other fees	48,991	60,485	157,290	2,310,738
Investment banking fees	415,800	115,200	995,925	1,528,308
Brokerage fees	299,179	420,511	1,045,666	1,550,358
Other fees	83,333	25,838	251,470	129,450
	3,177,818	3,148,779	9,415,686	13,769,239
Timing of revenue recognition				
Services transferred at a point in time	766,265	596,627	2,201,176	5,926,887
Services transferred over time	2,411,553	2,552,152	7,214,510	7,842,352
	3,177,818	3,148,779	9,415,686	13,769,239

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

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
Realized gain (loss)	56,287	87,458	(14,255)	790,189
Unrealized loss	(931,610)	(726,420)	(359,900)	(391,155)
	(875,323)	(638,962)	(374,155)	399,034

8 ASSETS HELD FOR SALE

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 States 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.

- ii. Further, the Group made an investment in certain special purpose vehicles (the “Entities”) with a carrying value amounting to KD 2,255,111 (USD 7,250 thousand). Subsequently, the Group 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.

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

9 INVESTMENT IN SUBSIDIARIES

- a. During the period, the effective ownership of the Group in Kamco Global Fund decreased from 90.75% to 58.85% on account of additional subscriptions by other unit holders in this fund. This resulted in an increase of non-controlling interests amounting to KD 1,504,456.
- b. Further, the effective ownership of the Group in KAMCO MENA Plus Fixed Income Fund OEIC Ltd. decreased from 56.08% to 53.75% on account of additional subscriptions by other unit holders in this fund. This resulted in an increase of non-controlling interests amounting to KD 161,174.

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:

	30 September 2023 KD	(Audited) 31 December 2022 KD	30 September 2022 KD
Commitments			
Commitments to invest in private equity funds	1,181,925	252,698	256,410
Contingent liability			
Irrevocable and unconditional bank guarantee	652,866	646,933	678,587

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 30 September 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>30 September 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 September 2022 KD</i>
<i>Interim condensed consolidated statement of financial position:</i>						
Cash and cash equivalents	3,909,658	-	2,842,677	6,752,335	8,751,106	6,010,786
Financial assets at fair value through profit or loss	5,157	-	6,126,153	6,131,310	637,642	854,706
Financial assets at fair value through other comprehensive income	-	-	875,235	875,235	1,130,593	1,380,885
Other assets	230,396	150,064	443,801	824,261	2,134,136	2,160,112
Other liabilities	-	-	9,389	9,389	15,391	56,478
				<i>Nine months ended 30 September</i>		
				<i>2023</i>	<i>2022</i>	
				<i>KD</i>	<i>KD</i>	
<i>Interim condensed consolidated statement of income:</i>						
Fee income	743,673	302,171	1,069,523	2,115,367	1,790,472	
Dividend income	-	-	160,641	160,641	2,927	
Interest income	7,155	-	20,595	27,750	14,911	
Other income	-	-	16,900	16,900	27,850	
General and administrative expenses	-	-	666,320	666,320	635,568	
				<i>Nine months ended 30 September</i>		
				<i>2023</i>	<i>2022</i>	
				<i>KD</i>	<i>KD</i>	
<i>Key management personnel compensation:</i>						
Short-term employee benefits				740,179	736,913	
End of service benefits				80,111	93,947	
				820,290	830,860	

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As at and for the period ended 30 September 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>Nine months ended 30 September 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	1,003,088	6,209,258	1,360,096	2,607,694	11,180,136
Profit (loss) for the period	276,605	2,780,850	(106,344)	(4,324,866)	(1,373,755)
Total assets	162,966	50,464,921	15,680,126	60,590,364	126,898,377
Total liabilities	-	1,023,576	767,460	62,306,381	64,097,417
<i>Nine months ended 30 September 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	1,482,562	11,691,674	1,881,912	1,915,244	16,971,392
Profit (loss) for the period	897,190	8,165,322	458,151	(5,823,655)	3,697,008
Total assets	154,826	51,951,788	16,734,677	57,390,992	126,232,283
Total liabilities	-	17,702,007	887,124	42,551,807	61,140,938

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 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:

30 September 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	6,332,369	-	-	6,332,369
Unquoted equities	-	-	8,453,148	8,453,148
Quoted debt securities	3,303,922	-	-	3,303,922
Unquoted debt securities	-	-	100,000	100,000
Managed funds	1,195,593	12,502,008	5,666,149	19,363,750
	<u>10,831,884</u>	<u>12,502,008</u>	<u>14,219,297</u>	<u>37,553,189</u>
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equities	465,662	-	-	465,662
Unquoted equities	-	-	6,011,293	6,011,293
Managed funds	-	-	12,561	12,561
	<u>465,662</u>	<u>-</u>	<u>6,023,854</u>	<u>6,489,516</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 30 September 2023

14 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Financial instruments (continued)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
30 September 2022				
Financial assets at fair value				
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equities	2,395,908	-	-	2,395,908
Unquoted equities	-	-	666,417	666,417
Quoted debt securities	5,911,261	-	-	5,911,261
Unquoted debt securities	-	-	100,000	100,000
Managed funds	1,320,709	13,270,384	4,076,659	18,667,752
	<u>9,627,878</u>	<u>13,270,384</u>	<u>4,843,076</u>	<u>27,741,338</u>
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equities	3,109	-	-	3,109
Unquoted equities	-	-	7,263,934	7,263,934
Managed funds	-	-	12,561	12,561
	<u>3,109</u>	<u>-</u>	<u>7,276,495</u>	<u>7,279,604</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 30 September 2023 KD
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equities	652,234	70,700	7,730,214	-	8,453,148
Unquoted debt securities	100,000	-	-	-	100,000
Managed funds	5,342,025	385,560	(61,436)	-	5,666,149
	<u>6,094,259</u>	<u>456,260</u>	<u>7,668,778</u>	<u>-</u>	<u>14,219,297</u>
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equities	6,076,434	-	(10,666)	(54,475)	6,011,293
Managed funds	12,561	-	-	-	12,561
	<u>6,088,995</u>	<u>-</u>	<u>(10,666)</u>	<u>(54,475)</u>	<u>6,023,854</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 nine months ended 30 September 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%.