

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

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

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

10 August 2023

Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2023

		30 June 2023 KD	(Audited) 31 December 2022 KD	30 June 2022 KD
	Notes			
ASSETS				
Cash and cash equivalents	3	25,760,426	37,298,164	33,381,507
Loans and advances		4,783,796	4,808,113	4,814,051
Financial assets at fair value through profit or loss		40,056,704	26,937,241	27,174,530
Financial assets at fair value through other comprehensive income		6,734,712	6,723,230	7,075,332
Assets held for sale	8	708,004	706,275	383,375
Investment in associates		22,999,938	23,157,164	24,060,087
Other assets	4	11,150,974	12,706,036	13,367,236
Investment properties		12,002,401	12,000,925	11,828,687
Property and equipment		1,474,876	1,459,661	1,031,122
Intangible assets		3,455,253	3,649,950	3,799,248
TOTAL ASSETS		129,127,084	129,446,759	126,915,175
LIABILITIES AND EQUITY				
LIABILITIES				
Loans		9,000,000	5,000,000	5,000,000
Bonds		40,000,000	40,000,000	40,000,000
Other liabilities		15,752,415	18,383,027	16,249,902
TOTAL LIABILITIES		64,752,415	63,383,027	61,249,902
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		(6,640,616)	(6,688,775)	(7,355,144)
Foreign currency translation reserve		904,611	852,462	872,954
Retained earnings		11,341,548	14,661,312	16,023,369
Equity attributable to equity holders of the Company		59,288,341	62,507,797	62,041,989
Non-controlling interests		5,086,328	3,555,935	3,623,284
TOTAL EQUITY		64,374,669	66,063,732	65,665,273
TOTAL LIABILITIES AND EQUITY		129,127,084	129,446,759	126,915,175

Talal Ali Abdullah Al Jaber Al Sabah
Chairman

Faisal Mansour Sarkhou
Chief Executive Officer

The attached notes 1 to 15 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 June 2023

	<i>Notes</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		2023	2022	2023	2022
		KD	KD	KD	KD
INCOME					
Fee income	6	2,958,539	5,801,835	6,237,868	10,620,460
Net gain (loss) on financial assets at fair value through profit or loss	7	1,280,268	(1,270,375)	501,168	1,037,996
Share of results of associates		581,986	(476,354)	(53,121)	1,322,593
Dividend income		387,752	291,804	468,457	327,979
Interest income		319,997	263,527	668,017	496,998
Foreign exchange gain (loss)		107,020	83,865	172,323	(142,203)
Rental income		232,847	167,252	453,300	326,217
Other income		19,046	9,569	82,109	55,177
		5,887,455	4,871,123	8,530,121	14,045,217
EXPENSES					
General and administrative expenses		3,591,429	3,419,869	7,058,996	8,208,146
Finance costs		739,579	533,099	1,416,393	1,060,752
Provision for (reversal of) expected credit losses on loans and advances, net		1,836	(81,650)	7,666	(100,019)
(Reversal of) provision for expected credit losses on financial assets		(114,134)	(45,649)	(72,996)	63,169
		4,218,710	3,825,669	8,410,059	9,232,048
PROFIT FOR THE PERIOD BEFORE TAXATION		1,668,745	1,045,454	120,062	4,813,169
Contribution to KFAS		(800)	(12,800)	(800)	(47,721)
Zakat		(800)	(15,800)	(800)	(58,198)
NLST		(3,500)	(36,800)	(3,500)	(142,795)
PROFIT FOR THE PERIOD		1,663,645	980,054	114,962	4,564,455
Attributable to:					
Equity holders of the Company		1,667,069	1,042,182	102,526	4,645,950
Non-controlling interests		(3,424)	(62,128)	12,436	(81,495)
		1,663,645	980,054	114,962	4,564,455
BASIC AND DILUTED EARNINGS PER SHARE –					
Attributable to equity holders of the Company	5	4.87 fils	3.04 fils	0.30 fils	13.57 fils

The attached notes 1 to 15 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 June 2023

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2023 KD</i>	<i>2022 KD</i>	<i>2023 KD</i>	<i>2022 KD</i>
Profit for the period	1,663,645	980,054	114,962	4,564,455
Other comprehensive income (loss):				
<i>Items that are or may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>				
Foreign currency translation adjustments	38,893	304,400	60,552	441,298
<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	(20,923)	(35)	(20,923)	151,096
Net income (loss) on equity instruments at fair value through other comprehensive income	231,946	(441,098)	66,883	(211,877)
	211,023	(441,133)	45,960	(60,781)
Total other comprehensive income (loss) for the period	249,916	(136,733)	106,512	380,517
Total comprehensive income for the period	1,913,561	843,321	221,474	4,944,972
Attributable to:				
Equity holders of the Company	1,905,207	920,315	203,870	5,028,833
Non-controlling interests	8,354	(76,994)	17,604	(83,861)
	1,913,561	843,321	221,474	4,944,972

The attached notes 1 to 15 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 June 2023

Attributable to shareholders of the Company

	<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
Profit for the period	-	-	-	-	-	-	-	102,526	102,526	12,436	114,962
Other comprehensive income	-	-	-	-	-	49,195	52,149	-	101,344	5,168	106,512
Total comprehensive income for the period	-	-	-	-	-	49,195	52,149	102,526	203,870	17,604	221,474
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	-	-	-	-	-	-	-	-	-	(152,841)	(152,841)
As at 30 June 2023	34,233,263	9,089,045	7,413,826	2,012,607	934,057	(6,640,616)	904,611	11,341,548	59,288,341	5,086,328	64,374,669
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	-	-	-	-	-	-	-	4,645,950	4,645,950	(81,495)	4,564,455
Other comprehensive (loss) income	-	-	-	-	-	(20,446)	403,329	-	382,883	(2,366)	380,517
Total comprehensive (loss) income for the period	-	-	-	-	-	(20,446)	403,329	4,645,950	5,028,833	(83,861)	4,944,972
Transfer on disposal of subsidiaries (Note 9)	-	-	-	-	-	(20,643)	-	20,643	-	-	-
Transfer on disposal of equity investments at FVOCI to retained earnings	-	-	-	-	-	179,513	-	(179,513)	-	-	-
Dividends (Note 10)	-	-	-	-	-	-	-	(3,423,326)	(3,423,326)	-	(3,423,326)
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	(51,630)	(51,630)
As at 30 June 2022	34,233,263	9,089,045	6,822,832	1,421,613	934,057	(7,355,144)	872,954	16,023,369	62,041,989	3,623,284	65,665,273

The attached notes 1 to 15 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 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	KD	KD
OPERATING ACTIVITIES			
Profit for the period before taxation		120,062	4,813,169
<i>Adjustments for:</i>			
Unrealized gain on financial assets at fair value through profit or loss	7	(571,710)	(335,265)
Share of results of associates		53,121	(1,322,593)
Dividend income		(468,457)	(327,979)
Interest income		(668,017)	(496,998)
Foreign exchange (gain) loss		(172,323)	142,203
Finance costs		1,409,592	1,060,752
Finance cost on lease liabilities		6,801	-
Depreciation on property and equipment		48,415	43,017
Depreciation on right of use assets		39,087	-
Amortization		259,436	228,621
Provision for / (reversal of) expected credit losses on loans and advances		7,666	(100,019)
(Reversal of) / provision for expected credit losses on financial assets		(72,996)	63,169
Provision for employees' end of service benefits		573,692	849,154
		564,369	4,617,231
<i>Changes in operating assets and liabilities:</i>			
Loans and advances		31,813	1,562,238
Financial assets at fair value through profit or loss		(12,487,058)	865,292
Other assets		1,539,270	307,202
Other liabilities		(2,924,309)	(4,970,003)
Cash (used in) from operations		(13,275,915)	2,381,960
Dividend received		468,457	327,979
Employees' end of service benefits paid		(213,196)	(59,331)
Taxes paid		(246,407)	(449,133)
Net cash flows (used in) from operating activities		(13,267,061)	2,201,475
INVESTING ACTIVITIES			
Purchase of financial assets at fair value through other comprehensive income		-	(339,265)
Proceeds from sale of financial assets at fair value through other comprehensive income		55,401	498,080
Net movement in deposits		(372,864)	4,044,869
Purchase of property and equipment		(109,480)	(107,213)
Purchase of intangible assets		(64,313)	(155,285)
Capital expenditure on investment properties		-	(23,580)
Acquisition of assets classified as held for sale		-	(1,910,313)
Proceeds from disposal of assets classified as held for sale		-	1,528,250
Proceeds on disposal of subsidiaries		-	89,181
Dividend received from investment in associates		89,463	310,599
Interest income received		696,110	527,155
Net cash flows from investing activities		294,317	4,462,478

The attached notes 1 to 15 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 June 2023

		<i>Six months ended</i>	
		<i>30 June</i>	
	<i>Note</i>	2023	2022
		KD	KD
FINANCING ACTIVITIES			
Loans availed		4,000,000	-
Dividends paid to the equity holders of the Company		(3,346,403)	(3,320,200)
Finance costs paid		(1,272,829)	(1,060,752)
Payment of principal portion of lease liabilities		(45,979)	-
Proceeds from ownership changes in subsidiary without loss of control		1,665,630	-
Distributions to non-controlling interests		(152,841)	(51,630)
Net cash flows from (used in) financing activities		847,578	(4,432,582)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(12,125,166)	2,231,371
Foreign currency translation adjustments		214,564	34,684
Cash and cash equivalents at 1 January		33,744,706	29,371,013
CASH AND CASH EQUIVALENTS AT 30 JUNE	3	21,834,104	31,637,068

The attached notes 1 to 15 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 June 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 six months ended 30 June 2023 were authorized for issue by the Board of Directors on 10 August 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 June 2023

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six-month period ended 30 June 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 Central Bank of Kuwait ("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 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 six-month period ended 30 June 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 June 2023

3 CASH AND CASH EQUIVALENTS

	<i>30 June 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 June 2022 KD</i>
Cash at banks and on hand	15,796,646	29,240,333	27,178,680
Deposits with banks	9,963,780	8,057,831	6,202,827
	25,760,426	37,298,164	33,381,507
Less: deposits with banks with original maturity of more than three months	(3,926,322)	(3,553,458)	(1,744,439)
Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows	21,834,104	33,744,706	31,637,068

4 OTHER ASSETS

	<i>30 June 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 June 2022 KD</i>
Due from portfolio clients	1,271,920	1,798,164	1,713,143
Accrued income	2,244,091	2,495,471	3,073,914
Other receivables and deposits	12,173,396	13,044,190	13,089,726
	15,689,407	17,337,825	17,876,783
Less: provision for expected credit losses	(4,538,433)	(4,631,789)	(4,509,547)
	11,150,974	12,706,036	13,367,236

5 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the 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 earnings per share is calculated by dividing the 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 earnings per share are identical.

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Basic and diluted earnings per share:				
Profit for the period attributable to equity holders of the Company (KD)	1,667,069	1,042,182	102,526	4,645,950
Weighted average number of outstanding shares	342,332,633	342,332,633	342,332,633	342,332,633
Basic and diluted earnings per share	4.87 fils	3.04 fils	0.30 fils	13.57 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 June 2023

6 FEE INCOME

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2023 KD</i>	<i>2022 KD</i>	<i>2023 KD</i>	<i>2022 KD</i>
Management fees on assets under management	2,411,867	2,521,376	4,634,820	5,186,588
Incentive fees on assets under management	-	267,704	-	537,052
Placement fees/structuring fee/redemption fees – managed funds and other fees	57,410	1,018,381	108,299	2,250,253
Investment banking fees	70,000	1,348,108	580,125	1,413,108
Brokerage fees	312,259	589,702	746,487	1,129,847
Other fees	107,003	56,564	168,137	103,612
	2,958,539	5,801,835	6,237,868	10,620,460
Timing of revenue recognition				
Services transferred at a point in time	439,669	3,223,895	1,434,911	5,330,260
Services transferred over time	2,518,870	2,577,940	4,802,957	5,290,200
	2,958,539	5,801,835	6,237,868	10,620,460

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

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2023 KD</i>	<i>2022 KD</i>	<i>2023 KD</i>	<i>2022 KD</i>
Realized (loss) gain	(61,463)	233,720	(70,542)	702,731
Unrealized gain (loss)	1,341,731	(1,504,095)	571,710	335,265
	1,280,268	(1,270,375)	501,168	1,037,996

8 ASSETS HELD FOR SALE

The prior period transactions were as follows:

- 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.

- 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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As at and for the period ended 30 June 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 June 2023 KD	<i>(Audited)</i> 31 December 2022 KD	30 June 2022 KD
Commitments			
Commitments to invest in private equity funds	1,174,466	252,698	253,028
Contingent liability			
Irrevocable and unconditional bank guarantee	648,289	646,933	676,124

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)

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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 June 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 June 2022 KD</i>
<i>Interim condensed consolidated statement of financial position:</i>						
Cash and cash equivalents	3,886,525	-	3,186,506	7,073,031	8,751,106	4,693,848
Financial assets at fair value through profit or loss	5,863	-	5,902,256	5,908,119	637,642	678,344
Financial assets at fair value through other comprehensive income	-	-	958,153	958,153	1,130,593	1,381,550
Other assets	197,511	141,610	524,218	863,339	2,134,136	2,270,158
Other liabilities	-	-	99,916	99,916	15,391	20,935
				<i>Six months ended 30 June</i>		
				<i>2023</i>	<i>2022</i>	
				<i>KD</i>	<i>KD</i>	
<i>Interim condensed consolidated statement of income:</i>						
Fee income	227,783	210,137	860,279	1,298,199	1,269,628	
Dividend income	-	-	160,641	160,641	2,171	
Interest income	4,003	-	19,681	23,684	4,626	
Other income	-	-	9,500	9,500	18,300	
General and administrative expenses	-	-	455,332	455,332	386,261	
				<i>Six months ended 30 June</i>		
				<i>2023</i>	<i>2022</i>	
				<i>KD</i>	<i>KD</i>	
<i>Key management personnel compensation:</i>						
Short-term employee benefits				492,903	490,507	
End of service benefits				53,357	62,631	
				546,260	553,138	

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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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>Six months ended 30 June 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	586,163	5,138,189	954,905	1,850,864	8,530,121
Profit (loss) for the period	62,078	2,850,354	27,333	(2,824,803)	114,962
Total assets	133,169	51,833,164	15,681,362	61,479,389	129,127,084
Total liabilities	-	16,142,296	789,310	47,820,809	64,752,415
<i>Six months ended 30 June 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	1,393,013	10,331,747	1,350,353	970,104	14,045,217
Profit (loss) for the period	998,537	7,914,845	385,221	(4,734,148)	4,564,455
Total assets	133,125	52,691,543	16,428,857	57,661,650	126,915,175
Total liabilities	-	17,011,520	890,757	43,347,625	61,249,902

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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As at and for the period ended 30 June 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 June 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	6,860,777	-	-	6,860,777
Unquoted equities	-	-	8,952,406	8,952,406
Quoted debt securities	3,621,834	-	-	3,621,834
Unquoted debt securities	-	-	100,000	100,000
Managed funds	1,202,070	13,089,628	6,229,989	20,521,687
	11,684,681	13,089,628	15,282,395	40,056,704
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equities	507,510	-	-	507,510
Unquoted equities	-	-	6,214,641	6,214,641
Managed funds	-	-	12,561	12,561
	507,510	-	6,227,202	6,734,712

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 June 2023

14 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Financial instruments (continued)

30 June 2022	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equities	3,478,709	-	-	3,478,709
Unquoted equities	-	-	658,354	658,354
Quoted debt securities	3,695,313	-	-	3,695,313
Unquoted debt securities	-	-	100,000	100,000
Managed funds	1,367,152	13,707,894	4,167,108	19,242,154
	<u>8,541,174</u>	<u>13,707,894</u>	<u>4,925,462</u>	<u>27,174,530</u>
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equities	3,895	-	-	3,895
Unquoted equities	-	-	7,058,876	7,058,876
Managed funds	-	-	12,561	12,561
	<u>3,895</u>	<u>-</u>	<u>7,071,437</u>	<u>7,075,332</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 June 2023 KD
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equities	652,234	7,375	8,292,797	-	8,952,406
Unquoted debt securities	100,000	-	-	-	100,000
Managed funds	5,342,025	776,032	111,932	-	6,229,989
	<u>6,094,259</u>	<u>783,407</u>	<u>8,404,729</u>	<u>-</u>	<u>15,282,395</u>
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equities	6,076,434	-	(10,584)	148,791	6,214,641
Managed funds	12,561	-	-	-	12,561
	<u>6,088,995</u>	<u>-</u>	<u>(10,584)</u>	<u>148,791</u>	<u>6,227,202</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 six months ended 30 June 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%.

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

15 SUBSEQUENT EVENT

Subsequent to the reporting period, the Group has fully redeemed and cancelled the unsecured bonds (fixed and floating interest tranches) amounting to KD 40,000,000 on the maturity date 26 July 2023.

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