

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

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

**PERIOD ENDED 30 JUNE 2022**

## **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 2022, 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 2022 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 2022 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

4 August 2022

Kuwait

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

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2022

		30 June 2022 KD	(Audited) 31 December 2021 KD	30 June 2021 KD
	Notes			
ASSETS				
Cash and cash equivalents	3	33,381,507	35,160,321	32,096,394
Loans and advances		4,814,051	6,188,801	6,028,736
Financial assets at fair value through profit or loss		27,174,530	27,715,296	23,199,913
Financial assets at fair value through other comprehensive income		7,075,332	7,519,245	7,991,970
Non-current assets classified as held for sale		383,375	-	-
Investment in associates		24,060,087	22,805,423	23,093,814
Other assets	4	13,367,236	13,717,888	15,184,253
Investment properties		11,828,687	11,795,451	11,431,225
Property and equipment		1,031,122	955,930	1,269,954
Intangible assets		3,799,248	3,870,685	3,553,867
TOTAL ASSETS		126,915,175	129,729,040	123,850,126
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		16,249,902	20,533,783	17,698,301
TOTAL LIABILITIES		61,249,902	65,533,783	62,698,301
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		6,822,832	6,822,832	5,726,409
Voluntary reserve		1,421,613	1,421,613	325,190
Revaluation reserve		934,057	934,057	934,057
Cumulative changes in fair values		(7,355,144)	(7,493,568)	(6,627,494)
Foreign currency translation reserve		872,954	469,625	461,595
Retained earnings		16,023,369	14,959,615	13,108,431
Equity attributable to equity holders of the Company		62,041,989	60,436,482	57,250,496
Non-controlling interests		3,623,284	3,758,775	3,901,329
TOTAL EQUITY		65,665,273	64,195,257	61,151,825
TOTAL LIABILITIES AND EQUITY		126,915,175	129,729,040	123,850,126

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 30 June 2022

	<i>Notes</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<b>2022</b> <b>KD</b>	<b>2021</b> <b>KD</b>	<b>2022</b> <b>KD</b>	<b>2021</b> <b>KD</b>
<b>INCOME</b>					
Fee income	6	<b>5,801,835</b>	5,265,944	<b>10,620,460</b>	8,627,271
Net (loss) gain on financial assets at fair value through profit or loss	7	<b>(1,270,375)</b>	3,044,374	<b>1,037,996</b>	4,031,658
Share of results of associates		<b>(476,354)</b>	1,421,926	<b>1,322,593</b>	1,793,058
Dividend income		<b>291,804</b>	120,244	<b>327,979</b>	221,998
Interest income		<b>263,527</b>	248,143	<b>496,998</b>	478,685
Foreign exchange gain (loss)		<b>83,865</b>	(102,192)	<b>(142,203)</b>	(175,771)
Rental income		<b>167,252</b>	158,887	<b>326,217</b>	324,683
Other income	8	<b>9,569</b>	608,216	<b>55,177</b>	633,749
		<b>4,871,123</b>	10,765,542	<b>14,045,217</b>	15,935,331
<b>EXPENSES</b>					
General and administrative expenses		<b>3,419,869</b>	5,159,807	<b>8,208,146</b>	8,108,464
Finance costs		<b>533,099</b>	534,523	<b>1,060,752</b>	1,072,398
(Reversal of provision) provision for expected credit losses on financial assets		<b>(45,649)</b>	40,381	<b>63,169</b>	166,265
Reversal of expected credit losses on loans and advances, net		<b>(81,650)</b>	(19,211)	<b>(100,019)</b>	(73,334)
		<b>3,825,669</b>	5,715,500	<b>9,232,048</b>	9,273,793
<b>PROFIT FOR THE PERIOD BEFORE TAXATION</b>		<b>1,045,454</b>	5,050,042	<b>4,813,169</b>	6,661,538
Contribution to KFAS		<b>(12,800)</b>	(44,462)	<b>(47,721)</b>	(59,462)
Zakat		<b>(15,800)</b>	(51,776)	<b>(58,198)</b>	(67,776)
NLST		<b>(36,800)</b>	(131,342)	<b>(142,795)</b>	(171,342)
<b>PROFIT FOR THE PERIOD</b>		<b>980,054</b>	4,822,462	<b>4,564,455</b>	6,362,958
<b>Attributable to:</b>					
Equity holders of the Company		<b>1,042,182</b>	4,755,320	<b>4,645,950</b>	6,303,919
Non-controlling interests		<b>(62,128)</b>	67,142	<b>(81,495)</b>	59,039
		<b>980,054</b>	4,822,462	<b>4,564,455</b>	6,362,958
<b>BASIC AND DILUTED EARNINGS PER SHARE –</b>					
Attributable to equity holders of the Company	5	<b>3.04 fils</b>	13.89 fils	<b>13.57 fils</b>	18.41 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 June 2022

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Profit for the period</b>	<b>980,054</b>	4,822,462	<b>4,564,455</b>	6,362,958
<b>Other comprehensive (loss) income:</b>				
<i>Items that are or may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>				
Foreign currency translation adjustments	<b>304,400</b>	(148,312)	<b>441,298</b>	(239,305)
<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	<b>(35)</b>	4,588	<b>151,096</b>	175,359
Revaluation surplus on property	-	-	-	934,057
Net (loss) income on equity instruments at fair value through other comprehensive income	<b>(441,098)</b>	(46,813)	<b>(211,877)</b>	43,708
	<b>(441,133)</b>	(42,225)	<b>(60,781)</b>	1,153,124
<b>Total other comprehensive (loss) income for the period</b>	<b>(136,733)</b>	(190,537)	<b>380,517</b>	913,819
<b>Total comprehensive income for the period</b>	<b>843,321</b>	4,631,925	<b>4,944,972</b>	7,276,777
<b>Attributable to:</b>				
Equity holders of the Company	<b>920,315</b>	4,583,112	<b>5,028,833</b>	7,254,683
Non-controlling interests	<b>(76,994)</b>	48,813	<b>(83,861)</b>	22,094
	<b>843,321</b>	4,631,925	<b>4,944,972</b>	7,276,777

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 June 2022

*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 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)
<b>As at 30 June 2022</b>	<b>34,233,263</b>	<b>9,089,045</b>	<b>6,822,832</b>	<b>1,421,613</b>	<b>934,057</b>	<b>(7,355,144)</b>	<b>872,954</b>	<b>16,023,369</b>	<b>62,041,989</b>	<b>3,623,284</b>	<b>65,665,273</b>
As at 1 January 2021	34,233,263	9,089,045	5,726,409	325,190	-	(8,114,748)	681,662	8,061,016	50,001,837	3,822,806	53,824,643
Profit for the period	-	-	-	-	-	-	-	6,303,919	6,303,919	59,039	6,362,958
Other comprehensive income (loss)	-	-	-	-	934,057	236,774	(220,067)	-	950,764	(36,945)	913,819
Total comprehensive income (loss) for the period	-	-	-	-	934,057	236,774	(220,067)	6,303,919	7,254,683	22,094	7,276,777
Transfer on disposal of equity investments at FVOCI to retained earnings	-	-	-	-	-	1,250,480	-	(1,250,480)	-	-	-
Ownership changes in subsidiary without loss of control (Note 9)	-	-	-	-	-	-	-	(6,024)	(6,024)	256,024	250,000
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	(199,595)	(199,595)
<b>As at 30 June 2021</b>	<b>34,233,263</b>	<b>9,089,045</b>	<b>5,726,409</b>	<b>325,190</b>	<b>934,057</b>	<b>(6,627,494)</b>	<b>461,595</b>	<b>13,108,431</b>	<b>57,250,496</b>	<b>3,901,329</b>	<b>61,151,825</b>

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 June 2022

		Six months ended 30 June	
		2022	2021
Notes		KD	KD
<b>OPERATING ACTIVITIES</b>			
	Profit for the period before taxation	4,813,169	6,661,538
	<i>Adjustments for:</i>		
	Unrealized gain on financial assets at fair value through profit or loss	(335,265)	(2,545,901)
	Share of results of associates	(1,322,593)	(1,793,058)
	Dividend income	(327,979)	(221,998)
	Interest income	(496,998)	(478,685)
	Foreign exchange loss	142,203	175,771
	Finance costs	1,060,752	1,072,398
	Depreciation	43,017	113,358
	Amortization	228,621	171,200
	Provision for expected credit losses on financial assets	63,169	166,265
	Reversal of provision for expected credit losses on loans and advances, net	(100,019)	(73,334)
	Provision for employees' end of service benefits	849,154	561,489
		<u>4,617,231</u>	<u>3,809,043</u>
	<i>Changes in operating assets and liabilities:</i>		
	Loans and advances	1,562,238	65,243
	Financial assets at fair value through profit or loss	865,292	(1,667,915)
	Other assets	307,202	2,591,638
	Other liabilities	(4,970,003)	(721,469)
		<u>2,381,960</u>	<u>4,076,540</u>
	Cash from operations	327,979	221,998
	Dividend received	(59,331)	(352,800)
	Employees' end of service benefits paid	(449,133)	-
	Taxes paid		
	<b>Net cash flows from operating activities</b>	<u>2,201,475</u>	<u>3,945,738</u>
<b>INVESTING ACTIVITIES</b>			
	Purchase of financial assets at fair value through other comprehensive income	(339,265)	(512,938)
	Proceeds from sale of financial assets at fair value through other comprehensive income	498,080	1,327,328
	Net withdrawal of deposits	4,044,869	2,290,661
	Purchase of property and equipment	(107,213)	(431,384)
	Purchase of intangible assets	(155,285)	-
	Capital expenditure on investment properties	(23,580)	-
	Acquisition of non-current asset classified as held for sale	(1,910,313)	-
	Proceeds from disposal of non-current asset classified as held for sale	1,528,250	-
	Acquisition of investment in associate	-	(1,579,093)
	Proceeds on disposal of subsidiaries	89,181	-
	Dividend received from investment in associates	310,599	60,107
	Interest income received	527,155	545,579
	<b>Net cash flows from investing activities</b>	<u>4,462,478</u>	<u>1,700,260</u>

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 June 2022

	<i>Six months ended</i>	
	<i>30 June</i>	
	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>
<b>FINANCING ACTIVITIES</b>		
Loans availed	-	1,000,000
Loans repaid	-	(2,908,258)
Dividend paid to the equity holders of the Company	<b>(3,320,200)</b>	(16,209)
Finance costs paid	<b>(1,060,752)</b>	(1,072,973)
Ownership changes in subsidiary without loss of control	-	250,000
Distribution to non-controlling interest	<b>(51,630)</b>	(199,595)
<b>Net cash flows used in financing activities</b>	<b>(4,432,582)</b>	(2,947,035)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,231,371</b>	2,698,963
Foreign currency translation adjustments	<b>34,684</b>	(280,741)
<b>Cash and cash equivalents at 1 January</b>	<b>29,371,013</b>	26,307,717
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>31,637,068</b>	28,725,939
<b>NON-CASH TRANSACTION</b>		
Investment properties	-	(10,720,000)
Property and equipment	-	10,720,000
	-	-

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 June 2022

**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 2022 were authorized for issue by the Board of Directors on 4 August 2022.

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”) which is listed on the Bahrain Stock Exchange. 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.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2022

**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 2022 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 2021 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 provides comparative information in respect of the previous period. Certain reclassifications have been made to conform to the prior period's financial information and notes thereto to current period's presentation.

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 2021.

Further, results for the six-month period ended 30 June 2022, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

**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 2021, except for the adoption of new standards effective as of 1 January 2022. 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 2022, but do not have an impact on the interim condensed consolidated financial information of the Group.

***Reference to the Conceptual Framework – Amendments to IFRS 3***

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

***IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities***

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2022

**2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP  
(continued)*****Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16***

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the Group recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

**3 CASH AND CASH EQUIVALENTS**

	<b>30 June 2022 KD</b>	<i>(Audited)</i> <b>31 December 2021 KD</b>	<b>30 June 2021 KD</b>
Cash at banks and on hand	<b>27,178,680</b>	25,715,268	25,089,576
Deposits with banks	<b>6,202,827</b>	9,445,053	7,006,818
	<b>33,381,507</b>	35,160,321	32,096,394
Less: deposits with banks with original maturity of more than three months	<b>(1,744,439)</b>	(5,789,308)	(3,370,455)
Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows	<b>31,637,068</b>	29,371,013	28,725,939

**4 OTHER ASSETS**

	<b>30 June 2022 KD</b>	<i>(Audited)</i> <b>31 December 2021 KD</b>	<b>30 June 2021 KD</b>
Due from portfolio clients	<b>1,713,143</b>	2,047,256	1,399,128
Accrued income	<b>3,073,914</b>	2,388,756	2,127,720
Other receivables and deposits	<b>13,089,726</b>	13,735,524	15,960,679
	<b>17,876,783</b>	18,171,536	19,487,527
Less: provision for expected credit losses	<b>(4,509,547)</b>	(4,453,648)	(4,303,274)
	<b>13,367,236</b>	13,717,888	15,184,253

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2022

**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>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b><i>Basic and diluted earnings per share:</i></b>				
Profit for the period attributable to equity holders of the Company (KD)	<b>1,042,182</b>	4,755,320	<b>4,645,950</b>	6,303,919
<b>Weighted average number of outstanding shares</b>	<b>342,332,633</b>	342,332,633	<b>342,332,633</b>	342,332,633
<b>Basic and diluted earnings per share</b>	<b>3.04 fils</b>	13.89 fils	<b>13.57 fils</b>	18.41 fils

**6 FEE INCOME**

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<b>2022 KD</b>	<b>2021 KD</b>	<b>2022 KD</b>	<b>2021 KD</b>
Management fees on assets under management	<b>2,521,376</b>	2,337,474	<b>5,186,588</b>	4,756,765
Incentive fees on assets under management	<b>267,704</b>	1,195,306	<b>537,052</b>	1,196,706
Placement fees/structuring fee/redemption fees – managed funds and other fees	<b>1,018,381</b>	334,279	<b>2,250,253</b>	830,707
Investment banking fees	<b>1,348,108</b>	730,292	<b>1,413,108</b>	813,320
Brokerage fees	<b>589,702</b>	543,605	<b>1,129,847</b>	904,785
Other fees	<b>56,564</b>	124,988	<b>103,612</b>	124,988
	<b>5,801,835</b>	5,265,944	<b>10,620,460</b>	8,627,271
<b>Timing of revenue recognition</b>				
Services transferred at a point in time	<b>3,223,895</b>	2,803,482	<b>5,330,260</b>	3,745,518
Services transferred over time	<b>2,577,940</b>	2,462,462	<b>5,290,200</b>	4,881,753
	<b>5,801,835</b>	5,265,944	<b>10,620,460</b>	8,627,271

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2022

**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>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
Realized gain	<b>233,720</b>	1,358,343	<b>702,731</b>	1,485,757
Unrealized (loss) gain	<b>(1,504,095)</b>	1,686,031	<b>335,265</b>	2,545,901
	<b>(1,270,375)</b>	3,044,374	<b>1,037,996</b>	4,031,658

**8 OTHER INCOME**

During the prior period, other income included an amount of KD 529 thousand which represented certain liabilities that no longer required to be settled by the Company as these liabilities had been extinguished during the same period.

**9 INVESTMENT IN SUBSIDIARIES**

During the period the Company 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.

During the prior period, the effective ownership of the Group in KAMCO GCC Opportunistic Fund decreased from 100% to 90.75% on account of partial disposal to third parties. This resulted in an increase of non-controlling interests amounting to KD 256,024.

**10 ANNUAL GENERAL ASSEMBLY**

The Annual General Assembly of equity holders held on 6 April 2022 approved the consolidated financial statements of the Group for the year ended 31 December 2021 and resolved to distribute dividends of 10 fils per share (31 December 2020: Nil).

**11 COMMITMENTS AND CONTINGENCIES**

The total outstanding contingent liabilities and commitments are as follows:

	<b>30 June 2022 KD</b>	<i>(Audited)</i> <b>31 December 2021 KD</b>	<b>30 June 2021 KD</b>
<b>Commitments</b>			
Commitments to invest in private equity funds	<b>253,028</b>	340,313	750,312
<b>Contingent liability</b>			
Irrevocable and unconditional bank guarantee	<b>676,124</b>	666,865	663,669

**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. During the prior period, the Company in its capacity as an investment manager had given a guarantee to a foreign bank for future investment obligations in connection with a real estate transaction. The additional investment, which is highly unlikely in the event of the guarantee being exercised, is estimated to be Nil (31 December 2021: Nil and 30 June 2021: KD 2,000,000) owing to the Company's successful exit from the real estate transaction.

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 June 2022

#### 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 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>30 June 2021 KD</i>
<b><i>Interim condensed consolidated statement of financial position:</i></b>						
Cash and cash equivalents	3,798,598	-	895,250	4,693,848	4,327,673	4,216,206
Financial assets at fair value through profit or loss	-	-	678,344	678,344	874,160	608,669
Financial assets at fair value through other comprehensive income	-	-	1,381,550	1,381,550	1,705,203	2,046,630
Other assets	271,387	1,425,771	573,000	2,270,158	2,790,561	3,118,840
Other liabilities	-	-	20,935	20,935	7,738	3,538
				<i>Six months ended 30 June</i>		
				<i>2022</i>	<i>2021</i>	
				<i>KD</i>	<i>KD</i>	
<b><i>Interim condensed consolidated statement of income:</i></b>						
Fee income	263,944	347,504	658,180	1,269,628	1,532,607	
Dividend income	-	-	2,171	2,171	36,733	
Interest income	1,940	-	2,686	4,626	5,214	
Other income	-	-	18,300	18,300	15,100	
General and administrative expenses	-	-	386,261	386,261	330,705	
				<i>Six months ended 30 June</i>		
				<i>2022</i>	<i>2021</i>	
				<i>KD</i>	<i>KD</i>	
<b><i>Key management personnel compensation:</i></b>						
Short-term employee benefits				490,507	449,688	
Termination benefits				62,631	56,212	
				<b>553,138</b>	<b>505,900</b>	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2022

**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 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	<u>1,393,013</u>	<u>10,331,747</u>	<u>1,350,353</u>	<u>970,104</u>	<u>14,045,217</u>
Profit (loss) for the period	<u>998,537</u>	<u>7,914,845</u>	<u>385,221</u>	<u>(4,734,148)</u>	<u>4,564,455</u>
Total assets	<u>133,125</u>	<u>52,691,543</u>	<u>16,428,857</u>	<u>57,661,650</u>	<u>126,915,175</u>
Total liabilities	<u>-</u>	<u>17,011,520</u>	<u>890,757</u>	<u>43,347,625</u>	<u>61,249,902</u>
<i>Six months ended 30 June 2021</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	<u>917,363</u>	<u>11,707,307</u>	<u>1,111,759</u>	<u>2,198,902</u>	<u>15,935,331</u>
Profit (loss) for the period	<u>517,893</u>	<u>9,128,206</u>	<u>365,972</u>	<u>(3,649,113)</u>	<u>6,362,958</u>
Total assets	<u>91,749</u>	<u>46,131,425</u>	<u>16,242,368</u>	<u>61,384,584</u>	<u>123,850,126</u>
Total liabilities	<u>-</u>	<u>16,818,879</u>	<u>885,962</u>	<u>44,993,460</u>	<u>62,698,301</u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2022

## 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 2022	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
<b>Financial assets at fair value</b>				
<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>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2022

## 14 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

### Fair value hierarchy (continued)

#### Financial instruments

30 June 2021	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equities	2,058,640	-	-	2,058,640
Unquoted equities	3,874,445	-	-	3,874,445
Quoted debt securities	-	-	37,972	37,972
Managed funds	1,687,808	12,549,867	2,991,181	17,228,856
	<u>7,620,893</u>	<u>12,549,867</u>	<u>3,029,153</u>	<u>23,199,913</u>
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equities	228,255	-	-	228,255
Unquoted equities	-	-	7,737,484	7,737,484
Managed funds	-	-	26,231	26,231
	<u>228,255</u>	<u>-</u>	<u>7,763,715</u>	<u>7,991,970</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 2022 KD	Realized and unrealized gain (loss) recorded in the consolidated statement of income KD	Purchase, sales and others (net) KD	Realized and unrealized gain (loss) recorded in other comprehensive income KD	As at 30 June 2022 KD
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equities	47,132	(2,250)	613,472	-	658,354
Unquoted debt securities	250,000	-	(150,000)	-	100,000
Managed funds	6,844,515	193,491	(2,870,898)	-	4,167,108
	<u>7,141,647</u>	<u>191,241</u>	<u>(2,407,426)</u>	<u>-</u>	<u>4,925,462</u>
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equities	7,305,543	-	262,774	(509,441)	7,058,876
Managed funds	12,561	-	-	-	12,561
	<u>7,318,104</u>	<u>-</u>	<u>262,774</u>	<u>(509,441)</u>	<u>7,071,437</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 2022.

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%.