

**Ali Al-Ghanim Sons Automotive Company  
K.S.C.P and its Subsidiaries**

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

**30 SEPTEMBER 2023**



## **REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALI AL-GHANIM SONS AUTOMOTIVE COMPANY K.S.C.P.**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ali Al-Ghanim Sons Automotive Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 September 2023, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended and the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). 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 IAS 34.

### ***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 account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, during the nine-month period ended 30 September 2023, that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations 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 Parent Company or on its financial position.



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BADER A. AL-ABDULJADER  
LICENCE NO. 207 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**(UNAUDITED)**

For the period ended 30 September 2023

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>CONTINUING OPERATIONS</b>					
Revenue from contracts with customers	3	<b>67,934,883</b>	48,488,518	<b>192,184,894</b>	134,741,124
Vehicle lease income		<b>1,095,903</b>	1,089,475	<b>3,348,258</b>	3,087,480
<b>Revenue</b>		<b>69,030,786</b>	49,577,993	<b>195,533,152</b>	137,828,604
Cost of sales and services rendered		<b>(51,838,312)</b>	(38,257,094)	<b>(147,650,452)</b>	(106,070,169)
<b>GROSS PROFIT</b>		<b>17,192,474</b>	11,320,899	<b>47,882,700</b>	31,758,435
Other income		<b>1,045,317</b>	748,489	<b>2,290,337</b>	2,135,822
Share of results of equity-accounted investees	7	<b>773,652</b>	(302,374)	<b>2,270,442</b>	(302,374)
Selling and distribution expenses		<b>(5,031,937)</b>	(3,435,450)	<b>(14,208,822)</b>	(9,537,350)
Administrative expenses		<b>(3,532,129)</b>	(2,017,618)	<b>(10,611,048)</b>	(7,135,679)
Finance costs		<b>(599,165)</b>	(248,301)	<b>(1,401,615)</b>	(779,961)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>9,848,212</b>	6,065,645	<b>26,221,994</b>	16,138,893
Taxation	5	<b>(677,918)</b>	(317,570)	<b>(1,649,556)</b>	(697,721)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>9,170,294</b>	5,748,075	<b>24,572,438</b>	15,441,172
<b>DISCONTINUED OPERATIONS</b>					
Loss after tax for the period from discontinued operations		-	(819,804)	-	(1,492,826)
<b>PROFIT FOR THE PERIOD</b>		<b>9,170,294</b>	4,928,271	<b>24,572,438</b>	13,948,346
<b>Attributable to:</b>					
Equity holders of the Parent Company		<b>7,513,366</b>	4,830,498	<b>20,928,834</b>	13,631,993
Non-controlling interests		<b>1,656,928</b>	97,773	<b>3,643,604</b>	316,353
		<b>9,170,294</b>	4,928,271	<b>24,572,438</b>	13,948,346
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY (FILS)</b>					
	6	<b>27.42</b>	17.50	<b>76.37</b>	49.22
<b>BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY (FILS)</b>					
	6	<b>27.42</b>	19.65	<b>76.37</b>	52.19

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2023

	Note	Three months ended 30 September		Nine months ended 30 September	
		2023	2022	2023	2022
		KD	KD	KD	KD
<b>PROFIT FOR THE PERIOD</b>		<b>9,170,294</b>	4,928,271	<b>24,572,438</b>	13,948,346
<b>Other comprehensive income (loss)</b>					
<i>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:</i>					
Cash flow hedges – effective portion of changes in fair value		<b>40,807</b>	(1,123,928)	<b>539,674</b>	(3,152,203)
Cost of hedging reserve – changes in fair value		<b>866</b>	(206,832)	<b>(117,381)</b>	(502,093)
Cost of hedging reserve – amortised to profit or loss		<b>19,895</b>	155,788	<b>228,238</b>	413,041
Net income (loss) on cash flow hedges		<b>61,568</b>	(1,174,972)	<b>650,531</b>	(3,241,255)
Exchange differences on translation of foreign operations		<b>65,577</b>	(17,260)	<b>184,729</b>	4,828
Share of other comprehensive (loss) income of equity-accounted investees	7	<b>(50,427)</b>	131,472	<b>(783,770)</b>	131,472
<b>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods</b>		<b>76,718</b>	(1,060,760)	<b>51,490</b>	(3,104,955)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>					
Net income on equity instruments designated at fair value through other comprehensive income		<b>45,500</b>	-	<b>94,500</b>	-
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>		<b>45,500</b>	-	<b>94,500</b>	-
<b>Other comprehensive income (loss) for the period</b>		<b>122,218</b>	(1,060,760)	<b>145,990</b>	(3,104,955)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>9,292,512</b>	3,867,511	<b>24,718,428</b>	10,843,391
<b>Attributable to:</b>					
Equity holders of the Parent Company		<b>7,636,950</b>	3,904,640	<b>21,335,201</b>	10,675,281
Non-controlling interests		<b>1,655,562</b>	(37,129)	<b>3,383,227</b>	168,110
		<b>9,292,512</b>	3,867,511	<b>24,718,428</b>	10,843,391

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION (UNAUDITED)**  
As at 30 September 2023

		(Audited)	
	30 September	31 December	30 September
	2023	2022	2022
	KD	KD	KD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	105,415,294	101,715,627	91,204,165
Intangible assets	77,363	223,291	291,592
Medium-term receivables	916,579	952,820	1,284,837
Investment in equity-accounted investees	7 9,227,758	3,065,573	4,458,335
Financial assets at fair value through other comprehensive income	560,000	465,500	-
	<u>116,196,994</u>	<u>106,422,811</u>	<u>97,238,929</u>
<b>Current assets</b>			
Inventories	66,227,651	52,345,292	27,860,965
Accounts receivable and prepayments	9,443,491	9,556,026	10,014,199
Receivables from related parties	12 8,174,303	3,846,370	4,037,683
Cash and short-term deposits	8 22,302,638	15,908,263	19,436,372
	<u>106,148,083</u>	<u>81,655,951</u>	<u>61,349,219</u>
<b>TOTAL ASSETS</b>	<u><u>222,345,077</u></u>	<u><u>188,078,762</u></u>	<u><u>158,588,148</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	27,750,000	27,750,000	27,750,000
Statutory reserve	4,676,367	4,676,367	2,731,756
Treasury shares	9 (2,954,654)	(2,954,654)	(2,954,654)
Treasury shares reserve	5,139	5,139	5,139
Asset revaluation surplus	31,508,181	31,508,181	20,791,681
Cash flow hedge reserve	-	(591,721)	(3,582,909)
Cost of hedging reserve	-	(110,857)	(113,006)
Fair value reserve	85,283	(9,217)	(47,059)
Foreign currency translation reserve	(704,471)	(365,807)	161,460
Other reserve	1,196,343	1,196,343	1,196,343
Retained earnings	13,879,644	11,860,187	8,731,940
<b>Equity attributable to equity holders of the Parent Company</b>	<u>75,441,832</u>	<u>72,963,961</u>	<u>54,670,691</u>
Non-controlling interests	9,305,280	6,702,293	6,310,631
<b>Total equity</b>	<u>84,747,112</u>	<u>79,666,254</u>	<u>60,981,322</u>
<b>Non-current liabilities</b>			
Islamic finance payables	10 26,471,528	13,981,281	21,760,693
Employees' end of service benefits	5,683,835	5,451,636	5,346,625
Accounts payable and accruals	11 14,811,653	11,976,988	11,860,888
	<u>46,967,016</u>	<u>31,409,905</u>	<u>38,968,206</u>
<b>Current liabilities</b>			
Islamic finance payables	10 13,069,074	2,623,038	2,182,898
Accounts payable and accruals	11 68,951,850	70,069,985	52,110,519
Payables to related parties	12 8,610,025	4,309,580	4,345,203
	<u>90,630,949</u>	<u>77,002,603</u>	<u>58,638,620</u>
<b>Total liabilities</b>	<u>137,597,965</u>	<u>108,412,508</u>	<u>97,606,826</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>222,345,077</u></u>	<u><u>188,078,762</u></u>	<u><u>158,588,148</u></u>

  
Eng. Fahad Ali Mohammed Thunayan Alghanim  
Chairman

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2023

	<i>Attributable to equity holders of the Parent Company</i>											<i>Non-controlling interests</i> KD	<i>Total equity</i> KD	
	<i>Share capital</i> KD	<i>Statutory reserve</i> KD	<i>Treasury shares</i> KD	<i>Treasury shares reserve</i> KD	<i>Asset revaluation surplus</i> KD	<i>Cash flow hedge reserve</i> KD	<i>Cost of hedging reserve</i> KD	<i>Fair value reserve</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Other reserve</i> KD	<i>Retained earnings</i> KD			<i>Sub-total</i> KD
<b>As at 1 January 2023</b> <i>(Audited)</i>	<b>27,750,000</b>	<b>4,676,367</b>	<b>(2,954,654)</b>	<b>5,139</b>	<b>31,508,181</b>	<b>(591,721)</b>	<b>(110,857)</b>	<b>(9,217)</b>	<b>(365,807)</b>	<b>1,196,343</b>	<b>11,860,187</b>	<b>72,963,961</b>	<b>6,702,293</b>	<b>79,666,254</b>
Profit for the period	-	-	-	-	-	-	-	-	-	-	20,928,834	20,928,834	3,643,604	24,572,438
Other comprehensive income (loss) for the period	-	-	-	-	-	539,674	110,857	94,500	(338,664)	-	-	406,367	(260,377)	145,990
Total comprehensive income (loss) for the period	-	-	-	-	-	539,674	110,857	94,500	(338,664)	-	20,928,834	21,335,201	3,383,227	24,718,428
Transfer of cash flow hedge reserve to inventories	-	-	-	-	-	52,047	-	-	-	-	-	52,047	-	52,047
Dividends to equity holders of the Parent Company (Note 13)	-	-	-	-	-	-	-	-	-	-	(18,909,377)	(18,909,377)	-	(18,909,377)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(780,240)	(780,240)
<b>At 30 September 2023</b>	<b>27,750,000</b>	<b>4,676,367</b>	<b>(2,954,654)</b>	<b>5,139</b>	<b>31,508,181</b>	<b>-</b>	<b>-</b>	<b>85,283</b>	<b>(704,471)</b>	<b>1,196,343</b>	<b>13,879,644</b>	<b>75,441,832</b>	<b>9,305,280</b>	<b>84,747,112</b>

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 30 September 2023

	Attributable to equity holders of the Parent Company											Non-controlling interests KD	Total equity KD	
	Share capital KD	Statutory reserve KD	Treasury shares KD	Treasury shares reserve KD	Asset revaluation surplus KD	Cash flow hedge reserve KD	Cost of hedging reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Other reserve KD	Retained earnings KD			Sub-total KD
As at 1 January 2022 (Audited)	27,750,000	2,731,756	-	-	20,791,681	(1,056,086)	(30,065)	(47,059)	(51,493)	733,212	6,519,962	57,341,908	6,627,301	63,969,209
Profit for the period	-	-	-	-	-	-	-	-	-	-	13,631,993	13,631,993	316,353	13,948,346
Other comprehensive (loss) income for the period	-	-	-	-	-	(3,086,724)	(82,941)	-	212,953	-	-	(2,956,712)	(148,243)	(3,104,955)
Total comprehensive (loss) income for the period	-	-	-	-	-	(3,086,724)	(82,941)	-	212,953	-	13,631,993	10,675,281	168,110	10,843,391
Transfer of cash flow hedge reserve to inventories	-	-	-	-	-	559,901	-	-	-	-	-	559,901	60,045	619,946
Dividends to equity holders of the Parent Company (Note 13)	-	-	-	-	-	-	-	-	-	-	(10,956,884)	(10,956,884)	-	(10,956,884)
Net purchase of treasury shares (Note 9)	-	-	(2,954,654)	5,139	-	-	-	-	-	-	-	(2,949,515)	-	(2,949,515)
Transfer of reserve of disposal group held for sale upon disposal	-	-	-	-	-	-	-	-	-	463,131	(463,131)	-	-	-
Transfer of non-controlling interest related to disposal group held for sale	-	-	-	-	-	-	-	-	-	-	-	-	(164,660)	(164,660)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(380,165)	(380,165)
At 30 September 2022	<u>27,750,000</u>	<u>2,731,756</u>	<u>(2,954,654)</u>	<u>5,139</u>	<u>20,791,681</u>	<u>(3,582,909)</u>	<u>(113,006)</u>	<u>(47,059)</u>	<u>161,460</u>	<u>1,196,343</u>	<u>8,731,940</u>	<u>54,670,691</u>	<u>6,310,631</u>	<u>60,981,322</u>

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

# Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 30 September 2023

	Notes	Nine months ended 30 September	
		2023 KD	2022 KD
<b>OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations		26,221,994	16,138,893
Loss from discontinued operations		-	(1,492,826)
Profit before tax		26,221,994	14,646,067
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Gain on disposal of property, plant and equipment		(14,245)	20,335
Gain on derecognition and remeasurement of leases		(842)	(17,026)
Share of results of equity-accounted investees	7	(2,270,442)	302,374
Loss on de-recognition of subsidiary		-	1,847,540
Depreciation of property, plant and equipment	4	5,719,359	5,025,290
Amortisation of intangible assets		169,542	34,995
Allowance for provision for old and obsolete inventories	4	860,705	44,952
Allowance for expected credit losses on trade receivables	4	468,120	127,488
Provision for employees' end of service benefits		478,733	838,387
Dividend income		(26,250)	-
Finance costs on Islamic finance payables		1,240,773	623,343
Interest expense on lease liabilities		160,842	156,618
		33,008,289	23,650,363
<i>Working capital adjustments:</i>			
Inventories		(16,020,578)	(3,051,671)
Medium term receivables		36,241	94,978
Accounts receivable and prepayments		(57,163)	(3,102,599)
Amounts due from related parties		(117,908)	89,631
Amounts due to related parties		(30,138)	(308,837)
Accounts payable and accruals		93,974	8,736,117
Cash flows from operations		16,912,717	26,107,982
Employees' end of service benefits paid		(246,534)	(204,520)
Taxes paid		(967,094)	(479,060)
<b>Net cash flows from operating activities</b>		<b>15,699,089</b>	<b>25,424,402</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(5,447,576)	(1,926,105)
Proceeds from disposal of property, plant and equipment		213,013	308,299
Purchase of intangibles		(23,398)	-
Net movement in receivables from related parties		(4,210,025)	(3,800,563)
Net payments made to investment in equity accounted investee		(4,605,000)	(5,330,650)
Dividend income received		26,250	-
Net Movement in term deposits		1,000,000	-
<b>Net cash flows used in investing activities</b>		<b>(13,046,736)</b>	<b>(10,749,019)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from Islamic finance payables		25,400,000	13,950,000
Repayment of Islamic finance payables		(2,463,717)	(12,238,044)
Dividends paid to non-controlling interests		(780,240)	(380,165)
Net movement in payables to related parties		4,330,583	101,675
Purchase of treasury shares		-	(3,554,412)
Proceeds from sale of treasury shares		-	604,897
Dividends paid to equity holders of the Parent Company		(18,922,702)	(10,792,550)
Finance costs paid on Islamic finance payables		(1,240,773)	(623,343)
Payment of lease liabilities		(1,691,441)	(1,299,747)
<b>Net cash flows from (used in) financing activities</b>		<b>4,631,710</b>	<b>(14,231,689)</b>

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.



Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED) (CONTINUED)

For the period ended 30 September 2023

	Notes	Nine months ended	
		30 September	
		2023	2022
		KD	KD
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>7,284,063</b>	443,694
Cash and cash equivalents at 1 January		<b>14,908,263</b>	19,068,429
Net foreign exchange difference		<b>110,312</b>	(75,751)
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	8	<b>22,302,638</b>	19,436,372
<b>Non-cash items excluded from the interim condensed consolidated statement of cash flows:</b>			
Effective portion of loss on hedging instruments (adjusted with accounts payable and accruals)	16	<b>5,074</b>	1,080,756
Additions to lease liabilities (adjusted with accounts payable and accruals)		<b>2,811,945</b>	3,044,805
Additions to right-of-use assets (adjusted with property, plant and equipment)		<b>(2,811,945)</b>	(3,044,805)
Derecognition and remeasurement of right-of-use assets (adjusted property, plant and equipment)		<b>216,618</b>	276,277
Derecognition and remeasurement of lease liabilities (adjusted with accounts payable and accruals)		<b>(217,460)</b>	(293,303)
Transfer of property, plant and equipment from (to) inventories (net) - (adjusted with property, plant and equipment)		<b>1,327,854</b>	150,429
Transfer of property, plant and equipment (from) to inventories (net) - (adjusted with inventories)		<b>(1,327,854)</b>	(150,429)

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

# Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

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

As at and for the period ended 30 September 2023

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Ali Al-Ghanim Sons Automotive Company K.S.C.P. (the “Parent Company”) and its Subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2023 was authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 7 November 2023.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 22 March 2023 approved the consolidated financial statements for the year ended 31 December 2022. Dividends proposed and paid by the Group for the year then ended are provided in Note 13.

The Parent Company was a closed Kuwaiti shareholding Company registered and incorporated in the State of Kuwait on 24 July 2018. The Group has set its initial public offering price to float a 45-percent stake and filed to list on Boursa Kuwait. The Board of Commissioners of Kuwait Capital Markets Authority (“CMA”) approved the listing of the Parent Company on Boursa Kuwait in the Premier Market on 28 April 2022. The Parent Company’s shares were listed in the Premier Market of Boursa Kuwait on 7 June 2022. The shareholders of the Parent Company in the extraordinary general assembly meeting (“EGM”) held on 6 July 2022 approved the change in the legal name to Ali Al-Ghanim Sons Automotive Company K.S.C.P. The changes in the articles and memorandum of association were authenticated in the commercial register on 25 July 2022 under registration number 399347.

The Parent Company is a subsidiary of Ali Alghanim Sons Holding Company K.S.C. (Closed) (the “Ultimate Parent Company”).

The registered postal address of the Parent Company is P.O. Box 21540, Safat 13076, Kuwait City.

The Parent Company is principally engaged in the following activities:

- ▶ Selling and purchasing cars and its spare parts.
- ▶ Importing and exporting light and heavy vehicles and cars.
- ▶ Maintaining and renting light and heavy vehicles and cars.
- ▶ Trading of auto spare parts, renting equipment and their maintenance.
- ▶ The Parent Company may have interest or participate, in any respect, with entities which embark on businesses similar to its businesses and which may help it to achieve its objects in Kuwait or abroad; and it shall have the right to purchase these entities.
- ▶ Possessing movables and real estate necessary for undertaking its activity within the limitation allowed by the law.
- ▶ Utilising the financial surpluses available with the Parent Company by means of investing them in financial portfolios to be managed by specialised companies and authorities.
- ▶ Selling and purchasing the shares and bonds only for its account.

### 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the nine months ended 30 September 2023 has been prepared in accordance with International Accounting Standard 34: “*Interim Financial Reporting*” (“IAS 34”). The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. Management consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the date of the approval of the interim condensed consolidated financial information for the nine months ended 30 September 2023.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

Certain prior period amounts have been reclassified to conform to the current period presentation. There is no effect of these classifications on the previously reported equity as at 31 December 2022 and 30 September 2022 and profit for the period then ended. Such reclassifications have been made to improve the quality of information presented.

# Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

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

As at and for the period ended 30 September 2023

### 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

#### 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 followed in the preparation of the Group's 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 standard, interpretation or amendment that has been issued but is not yet effective.

Several 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.

These amendments had no impact on the interim condensed consolidated financial information.

#### 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.

The amendments had no impact on the Group's interim condensed consolidated financial information, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

#### Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial information.

### 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>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>
<b>Type of goods or service:</b>				
Sales of vehicles and spare parts	<b>64,915,884</b>	46,021,562	<b>183,608,738</b>	127,452,643
Vehicle inspection, repair and maintenance services	<b>3,018,999</b>	2,466,956	<b>8,576,156</b>	7,288,481
<b>Total revenue from contracts with customers</b>	<b>67,934,883</b>	48,488,518	<b>192,184,894</b>	134,741,124
<b>Geographical markets:</b>				
Kuwait	<b>62,999,226</b>	46,019,130	<b>178,571,013</b>	125,534,916
Iraq	<b>4,935,657</b>	2,469,388	<b>13,613,881</b>	9,206,208
<b>Total revenue from contracts with customers</b>	<b>67,934,883</b>	48,488,518	<b>192,184,894</b>	134,741,124
<b>Timing of revenue recognition:</b>				
Goods transferred at a point in time	<b>64,915,884</b>	46,021,562	<b>183,608,738</b>	127,452,643
Services rendered at a point in time	<b>3,018,999</b>	2,466,956	<b>8,576,156</b>	7,288,481
<b>Total revenue from contracts with customers</b>	<b>67,934,883</b>	48,488,518	<b>192,184,894</b>	134,741,124

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

**4 PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS**

The profit for the period from continuing operations is stated after charging:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>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>
<b>Staff costs included in:</b>				
Cost of sales and services rendered	<b>1,137,818</b>	1,420,131	<b>3,333,059</b>	3,218,824
Selling and distribution expenses	<b>652,608</b>	741,664	<b>1,984,765</b>	2,008,532
Administrative expenses	<b>1,939,443</b>	1,209,274	<b>5,688,220</b>	4,036,556
	<b>3,729,869</b>	3,371,069	<b>11,006,044</b>	9,263,912
<b>Rent - operating leases included in*:</b>				
Cost of sales and services rendered	<b>6,375</b>	4,500	<b>17,250</b>	13,500
Selling and distribution expenses	-	2,010	<b>2,400</b>	6,030
Administrative expenses	<b>8,652</b>	3,911	<b>24,842</b>	16,188
	<b>15,027</b>	10,421	<b>44,492</b>	35,718
<b>Costs of inventories recognised as an expense (included in cost of sales and services rendered)</b>	<b>49,450,358</b>	35,113,262	<b>139,732,332</b>	97,530,285
<b>Rental vehicle fleet insurance charges (included in cost of sales and services rendered)</b>	<b>74,661</b>	51,701	<b>196,901</b>	173,387
<b>Allowance for provision for old and obsolete inventories included in:</b>				
Selling and distribution expenses	<b>213,522</b>	41,091	<b>583,340</b>	27,908
Administrative expenses	<b>158,462</b>	(17,897)	<b>277,365</b>	17,044
	<b>371,984</b>	23,194	<b>860,705</b>	44,952
<b>Allowance for provision for ECL on trade receivables included in:</b>				
Selling and distribution expenses	<b>4,323</b>	19,224	<b>17,210</b>	29,485
Administrative expenses	<b>117,889</b>	78,298	<b>450,910</b>	98,003
	<b>122,212</b>	97,522	<b>468,120</b>	127,488
<b>Depreciation expense recognised included in:</b>				
Cost of sales and services rendered	<b>644,935</b>	564,230	<b>1,826,504</b>	1,791,940
Selling and distribution expenses	<b>723,042</b>	96,323	<b>2,595,125</b>	1,695,075
Administrative expenses	<b>542,177</b>	978,810	<b>1,297,730</b>	1,538,275
	<b>1,910,154</b>	1,639,363	<b>5,719,359</b>	5,025,290

\* This represents expense relating to short-term leases.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

5 TAXATION

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
Taxation on overseas subsidiary	<b>267,551</b>	84,649	<b>556,938</b>	248,740
Contribution to Kuwait Foundation for the Advances of Sciences ("KFAS")	<b>88,036</b>	48,211	<b>231,528</b>	137,406
Zakat	<b>92,095</b>	55,326	<b>246,026</b>	151,471
National Labour Support Tax ("NLST")	<b>230,236</b>	129,384	<b>615,064</b>	160,104
	<b>677,918</b>	317,570	<b>1,649,556</b>	697,721

6 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company 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 EPS are identical.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2023</b>	2022	<b>2023</b>	2022
Profit from continuing operations attributable to equity holders of the Parent Company (KD)	<b>7,513,366</b>	5,423,296	<b>20,928,834</b>	14,453,629
Loss for the period from discontinued operations attributable to equity holders of the Parent Company (KD)	-	(592,798)	-	(821,636)
<b>Profit for the period attributable to equity holders of the Parent Company (KD)</b>	<b>7,513,366</b>	4,830,498	<b>20,928,834</b>	13,631,993
Weighted average number of shares outstanding during the period (shares)*	<b>274,048,954</b>	275,918,160	<b>274,048,954</b>	276,964,966
<b>Basic and diluted EPS attributable to equity holders of the Parent Company (Fils)</b>	<b>27.42</b>	17.50	<b>76.37</b>	49.22
<b>Basic and diluted EPS from continuing operations attributable to equity holders of the Parent Company (Fils)</b>	<b>27.42</b>	19.65	<b>76.37</b>	52.19

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the authorisation date of this interim condensed consolidated financial information.

# Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

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

As at and for the period ended 30 September 2023

### 7 INVESTMENT IN EQUITY-ACCOUNTED INVESTEEES

	<i>30 September</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>30 September</i> <i>2022</i> <i>KD</i>
<b>As at 1 January</b>	<b>3,065,573</b>	251,107	251,107
Additions	<b>4,605,000</b>	4,323,321	4,323,321
Share of profit (loss)	<b>2,270,442</b>	(678,436)	(302,374)
Share of other comprehensive (loss) income	<b>(783,770)</b>	(822,885)	131,472
Exchange differences	<b>70,513</b>	(7,534)	54,809
<b>Total equity accounted investments</b>	<b>9,227,758</b>	3,065,573	4,458,335

#### *Global Auto S.A.E*

In 2021, the Group had commenced the process to partially sell 33.33% out of 66.66% of its investment in Global Auto S.A.E. (“equity-accounted investee”), a subsidiary held through German Automotive Holding Ltd, in a single transaction to an outside investor for a consideration of KD 916,350 (approximately USD 3 million). As a result, the subsidiary met all the criteria for classifying the assets and liabilities as held for sale regardless of whether the Group will retain a non-controlling interest in the former subsidiary after the sale.

On 31 July 2022, the sale of 33.33% controlling interest in the subsidiary was completed resulting in loss of control and triggering remeasurement of the residual holding in the former subsidiary to fair value. Accordingly, the Group derecognised the assets and liabilities of the former subsidiary at their carrying amounts. The residual holding in the former subsidiary is classified as an associate in accordance with IAS 28: *Investment in Associates and Joint Ventures* and have been remeasured to fair value at the date control is lost.

The retained equity interest 33.33% in Global Auto S.A.E. is fair valued at KD 4,323,321 and recognised as investment in an associate in the consolidated statement of financial position during the year 2022.

#### *Auto Mobility For Import Cars LLC*

During the nine months ended 30 September 2023, the Group acquired 50% equity interest in Auto Mobility for Import Cars LLC, a joint venture in which the Group has joint control by contributing an amount of KD 4,605,000 (USD 15 million) towards the capital of the investee. The joint venture is not publicly listed and is the official dealership of a renowned automobile brand in the Arab Republic of Egypt.

### 8 CASH AND SHORT-TERM DEPOSITS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	<i>30 September</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>30 September</i> <i>2022</i> <i>KD</i>
Cash at banks and on hand	<b>15,911,102</b>	13,687,002	17,935,887
Cash held in managed portfolios	<b>1,241,536</b>	1,221,261	1,500,485
Short-term deposits	<b>5,150,000</b>	1,000,000	-
<b>Cash and short-term deposits</b>	<b>22,302,638</b>	15,908,263	19,436,372
Less: Term deposits with original maturity of more than three months but less than twelve months after the reporting period	-	(1,000,000)	-
<b>Cash and cash equivalents</b>	<b>22,302,638</b>	14,908,263	19,436,372

Term deposits are subject to an insignificant risk of changes in value. These are placed with local Islamic financial institutions and earn profit at commercial rates.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

**9 TREASURY SHARES**

	<i>30 September 2023</i>	<i>(Audited) 31 December 2022</i>	<i>30 September 2022</i>
Number of treasury shares	<b>3,451,046</b>	3,451,046	3,451,046
Percentage of total outstanding shares %	<b>1.24%</b>	1.24%	1.24%
Cost (KD)	<b>2,954,654</b>	2,954,654	2,954,654
Market value (KD)	<b>4,003,213</b>	2,778,092	2,709,071
Market value per share (Fils)	<b>1,160</b>	805	724

An amount equivalent to the cost of purchase of treasury shares held is not available for distribution during the holding period of such shares as per CMA guidelines.

**10 ISLAMIC FINANCE PAYABLES**

	<i>30 September 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 September 2022 KD</i>
Islamic finance payables	<b>39,540,602</b>	16,604,319	23,943,591
Non-current	<b>26,471,528</b>	13,981,281	21,760,693
Current	<b>13,069,074</b>	2,623,038	2,182,898
	<b>39,540,602</b>	16,604,319	23,943,591

Islamic finance payables include tawarruq facilities amounting to KD 17,433,033 (31 December 2022: KD 12,073,928; 30 September 2022: KD 11,693,545) which bear finance costs at commercial rates and are secured by a corporate guarantee provided by certain Group entities (Note 12). The remaining Islamic finance payables are unsecured and bear finance costs at commercial rates.

**11 ACCOUNTS PAYABLE AND ACCRUALS**

	<i>30 September 2023</i>		
	<i>Non-current KD</i>	<i>Current KD</i>	<i>Total KD</i>
Trade payables	-	<b>35,849,910</b>	<b>35,849,910</b>
Advances from customers	-	<b>12,762,028</b>	<b>12,762,028</b>
Contract liabilities*	<b>9,063,390</b>	<b>4,280,276</b>	<b>13,343,666</b>
Lease liabilities	<b>4,430,038</b>	<b>1,973,204</b>	<b>6,403,242</b>
Accrued expenses	<b>138,800</b>	<b>11,934,096</b>	<b>12,072,896</b>
Dividends payable	-	<b>64,069</b>	<b>64,069</b>
Other payables	<b>1,179,425</b>	<b>2,088,267</b>	<b>3,267,692</b>
	<b>14,811,653</b>	<b>68,951,850</b>	<b>83,763,503</b>

# Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

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

As at and for the period ended 30 September 2023

### 11 ACCOUNTS PAYABLE AND ACCRUALS (continued)

	31 December 2022 (Audited)		
	Non-current KD	Current KD	Total KD
Trade payables	-	36,915,879	36,915,879
Advances from customers	-	18,304,949	18,304,949
Contract liabilities*	7,904,603	3,205,976	11,110,579
Lease liabilities	3,866,723	1,472,243	5,338,966
Accrued expenses	138,800	8,147,353	8,286,153
Dividend payable	-	77,394	77,394
Other payables	66,862	1,946,191	2,013,053
	<u>11,976,988</u>	<u>70,069,985</u>	<u>82,046,973</u>

  

	30 September 2022		
	Non-current KD	Current KD	Total KD
Trade payables	-	22,626,774	22,626,774
Advances from customers	-	14,566,313	14,566,313
Contract liabilities*	7,673,431	3,202,572	10,876,003
Lease liabilities	4,048,657	1,653,275	5,701,932
Accrued expenses	138,800	6,846,599	6,985,399
Dividend payable	-	164,334	164,334
Other payables	-	3,050,652	3,050,652
	<u>11,860,888</u>	<u>52,110,519</u>	<u>63,971,407</u>

\* Contract liabilities represent unsatisfied performance obligations as at the reporting date towards vehicle maintenance services.

### 12 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, associates, joint venture, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The following table provides the total amount of transactions that have been entered into with related parties during the three and nine months ended 30 September 2023 and 2022, as well as balances with related parties as at 30 September 2023, 31 December 2022 and 30 September 2022:

	Three months ended		Nine months ended	
	30 September 2023 KD	30 September 2022 KD	30 September 2023 KD	30 September 2022 KD
<b>Interim condensed consolidated statement of profit or loss</b>				
<i>Entities under common control</i>				
Sale of goods	<b>2,621</b>	17,042	<b>338,849</b>	20,522
Rendering of services	<b>1,624</b>	-	<b>9,733</b>	2,730
Vehicle rental income	-	-	-	3,314
Purchased services	<b>(5,150)</b>	-	<b>(23,109)</b>	-
<i>Associate of the Ultimate Parent Company</i>				
Sale of goods	<b>300,619</b>	599,550	<b>615,222</b>	943,200



# Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

### INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

#### 12 RELATED PARTY DISCLOSURES (continued)

	<b>30 September</b>	<i>(Audited)</i> <b>31 December</b>	<b>30 September</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Consolidated statement of financial position</b>			
Investment in a quoted equity security*	<b>560,000</b>	465,500	-
Trade receivables*	<b>546,341</b>	457,847	420,926
Receivables from related parties:			
- Entities under common control /ownership	<b>51,022</b>	99,049	237,120
- Equity-accounted investees**	<b>8,110,642</b>	3,745,437	3,800,563
- Other related parties	<b>12,639</b>	1,884	-
	<b>8,174,303</b>	3,846,370	4,037,683

\* Associate of the Ultimate Parent Company and an entity with common directorship.

\*\* The balance includes the following:

- 1) Convertible loan amounting to KD 3,784,637 (31 December 2022: KD 3,745,437; 30 September 2022: KD 3,800,563) advanced to Global Auto S.A.E. ("equity accounted investee") to provide financial assistance. The amount is unsecured, interest free, have no repayment schedule and will be capitalised in exchange for shares in the equity accounted investee once the legal proceedings are complete.
- 2) An amount of KD 4,170,825 (31 December 2022: Nil; 30 September 2022: Nil) advanced to Global Auto S.A.E. to finance the working capital and other requirements. The amount is not secured, interest free and callable after at least after twelve months from the date of the loan agreement at the discretion of the Group.

	<b>30 September</b>	<i>(Audited)</i> <b>31 December</b>	<b>30 September</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<i>Payables to related parties:</i>			
Key management personnel	<b>24,519</b>	36,419	1,419
Entities under common control/ownership	<b>727</b>	516	5,484
Other related parties***	<b>8,584,779</b>	4,272,645	4,338,300
	<b>8,610,025</b>	4,309,580	4,345,203

\*\*\* As at the period end this balance includes an amount payable to the non-controlling investor of German Automotive Holding Limited amounting to KD 8,101,746 (31 December 2022: KD 3,771,163; 30 September 2022: KD 3,826,288).

#### Terms and conditions of transactions with related parties

Transactions with related parties are made on terms approved by the Group's management. All balances at the period-end are unsecured, interest free and have no fixed repayment schedule. For the period ended 30 September 2023, the Group has not recognised any provision for expected credit losses relating to amounts owed by related parties (31 December 2022: Nil; 30 September 2022: Nil).

#### Other related party disclosures

- ▶ Islamic finance payables include tawarruq facilities amounting to KD 17,433,033 (31 December 2022: KD 12,073,928; 30 September 2022: KD 11,693,545) secured by a corporate guarantee provided by certain Group entities (Note 10).
- ▶ Certain related party has provided corporate guarantee to the Group amounting to KD Nil (31 December 2022: KD 16,965,013; 30 September 2022: KD 10,030,445) in the ordinary course of business.
- ▶ As at 30 September 2023, the Group has provided a corporate guarantee of KD 6,721,596 (31 December 2022: KD 6,702,828; 30 September 2022: KD Nil) in the ordinary course of business to be utilised by a related party (Note 14).

# Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

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

As at and for the period ended 30 September 2023

### 12 RELATED PARTY DISCLOSURES (continued)

#### Compensation of key management personnel

Key management personnel comprise of the personnel having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Transaction values for three months period ended</i>		<i>Transaction values for nine months period ended</i>	
	<b>30 September 2023</b>	<i>30 September 2022</i>	<b>30 September 2023</b>	<i>30 September 2022</i>
	<b>KD</b>	<i>KD</i>	<b>KD</b>	<i>KD</i>
Salaries and short-term benefits	<b>99,151</b>	131,141	<b>325,244</b>	342,391
End of service benefits	<b>7,582</b>	42,974	<b>24,823</b>	60,207
	<b>106,733</b>	174,115	<b>350,067</b>	402,598
			<i>Balance outstanding as at</i>	
			<b>30 September 2023</b>	<i>31 December 2022</i>
			<b>KD</b>	<i>KD</i>
				<i>(Audited)</i>
Salaries and short-term benefits		<b>175,172</b>	859,543	186,601
End of service benefits		<b>464,445</b>	493,043	483,595
Directors' remuneration		-	35,000	-
		<b>639,617</b>	1,387,586	670,196

The Board of Directors of the Parent Company at the meeting held on 20 February 2023 proposed directors' remuneration of KD 35,000 for the year ended 31 December 2022. This proposal was approved by the shareholders at the AGM held on 22 March 2023 and paid during the current period.

### 13 DIVIDENDS MADE AND PROPOSED

The Board of Directors of the Parent Company in their meeting held on 1 August 2023 declared an interim cash dividend of 35 fils per share aggregating to KD 9,591,713 (30 September 2022: 23.78 fils per share aggregating to KD 6,516,884) on outstanding shares (excluding treasury shares) for the period ended 30 June 2023.

The Board of Directors of the Parent Company in their meeting held on 20 February 2023 proposed a distribution of a cash dividend of 34 fils per share aggregating to KD 9,317,664 for the year ended 31 December 2022 (2021: 16 fils per share aggregating to KD 4,440,000). The proposed dividends for the year then ended were approved by the shareholders at AGM held on 22 March 2023 and was paid during the current period.

Dividends payable as at 30 September 2023 amounted to KD 64,069 (31 December 2022: KD 77,394 and 30 September 2022: KD 164,334) and are recorded within "Accounts payable and accruals" in the interim condensed consolidated statement of financial position.

### 14 CONTINGENCIES

#### 14.1 Legal claim contingencies

The Group operates in the automotive industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

### INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

#### 14 CONTINGENCIES (continued)

##### 14.2 Other contingencies

The Group had contingent liabilities in respect of bank guarantees and letters of credit arising in the ordinary course of business amounting to KD 19,332,072 (31 December 2022: KD 30,026,650; 30 September 2022: KD 26,529,295), out of which KD 6,721,596 (31 December 2022: KD 6,702,828; 30 September 2022: KD Nil) is utilised by a related party, from which it is anticipated that no material liability will arise (Note 12).

#### 15 SEGMENT INFORMATION

For management purposes, the Group is divided into four main geographical segments that are: a) State of Kuwait, b) Iraq c) Egypt and d) United Arab Emirates where the Group performs its main activities in the sales of vehicles, spare parts and rendering of services related to vehicle inspection, repair and maintenance services.

##### a) Segment revenue and results

The following tables present revenue and profit information of the Group's operating segments for the nine month ended 30 September 2023 and 2022, respectively:

	<i>Revenue</i>		<i>Results</i>	
	<i>Nine months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>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>
Kuwait	<b>189,991,959</b>	130,629,747	<b>43,159,654</b>	26,574,805
Iraq	<b>13,613,881</b>	9,206,208	<b>3,100,257</b>	1,341,784
Egypt	-	-	-	354,714
United Arab Emirates	-	-	<b>2,476,928</b>	(2,143,296)
Adjustments and eliminations	<b>(8,072,688)</b>	(2,007,351)	<b>(24,164,401)</b>	(12,179,661)
	<b>195,533,152</b>	137,828,604	<b>24,572,438</b>	13,948,346

##### b) Segment assets and liabilities

The following tables present assets and liabilities information for the Group's operating segments as at 30 September 2023, 31 December 2022 and 30 September 2022, respectively:

	<i>30 September</i>	<i>(Audited)</i>	
		<i>31 December</i>	<i>30 September</i>
		<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Segment assets</b>			
Kuwait	<b>234,392,815</b>	210,254,928	180,566,647
Iraq	<b>12,348,047</b>	8,535,449	7,325,312
United Arab Emirates	<b>17,720,146</b>	7,178,544	8,559,335
Adjustments and eliminations	<b>(42,115,931)</b>	(37,890,159)	(37,863,146)
<b>Total consolidated segment assets</b>	<b>222,345,077</b>	188,078,762	158,588,148
<b>Segment liabilities</b>			
Kuwait	<b>129,223,253</b>	101,471,155	91,896,558
Iraq	<b>4,585,373</b>	3,079,356	2,093,278
United Arab Emirates	<b>8,111,230</b>	3,778,634	3,828,333
Adjustments and eliminations	<b>(4,321,891)</b>	83,363	(211,343)
<b>Total consolidated segment liabilities</b>	<b>137,597,965</b>	108,412,508	97,606,826

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	<b>Fair value measurement using</b>		
	<i>Quoted market prices (Level 1) KD</i>	<i>Significant observable inputs (Level 2) KD</i>	<i>Total KD</i>
<b>30 September 2023</b>			
<b>Financial instruments measured at fair value:</b>			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	<b>560,000</b>	-	<b>560,000</b>
<i>Derivative financial liabilities</i>			
Foreign exchange forward contracts	-	<b>(5,074)</b>	<b>(5,074)</b>
<b>31 December 2022 (Audited)</b>			
<b>Financial instruments measured at fair value:</b>			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	465,500	-	465,500
<i>Derivative financial assets</i>			
Foreign exchange forward contracts	-	1,249,704	1,249,704
<b>30 September 2022</b>			
<b>Financial instruments measured at fair value:</b>			
<i>Derivative financial liabilities</i>			
Foreign exchange forward contracts	-	(1,080,756)	(1,080,756)

During the period, there were no transfers between the levels of fair value hierarchy.

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

For other financial assets and financial liabilities carried at amortised cost, the carrying value is not significantly different from their fair value as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

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