

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

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

**31 MARCH 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 31 March 2023, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three month period then ended. Management 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.

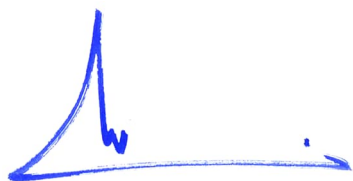
### ***Conclusion***

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 three-month period ended 31 March 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 three-month period ended 31 March 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

9 May 2023  
Kuwait

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 31 March 2023

	Notes	Three months ended 31 March	
		2023 KD	2022 KD
<b>CONTINUING OPERATIONS</b>			
Revenue from contracts with customers	3	<b>61,601,578</b>	38,783,255
Vehicle rental income		<b>1,091,630</b>	1,001,470
<b>Revenue</b>		<b>62,693,208</b>	39,784,725
Cost of sales and services rendered		<b>(47,572,095)</b>	(30,508,284)
<b>GROSS PROFIT</b>		<b>15,121,113</b>	9,276,441
Other income		<b>536,431</b>	737,188
Share of results of equity-accounted investees	6	<b>(232,998)</b>	-
Distribution costs		<b>(4,767,878)</b>	(2,763,723)
Administrative expenses		<b>(3,492,945)</b>	(2,384,482)
Finance costs		<b>(326,282)</b>	(236,702)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>6,837,441</b>	4,628,722
Contribution to Kuwait Foundation for the Advances of Sciences (“KFAS”)		<b>(61,585)</b>	(49,070)
Zakat		<b>(67,204)</b>	(45,982)
National Labour Support Tax (“NLST”)		<b>(168,009)</b>	-
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	4	<b>6,540,643</b>	4,533,670
<b>DISCONTINUED OPERATIONS</b>			
Loss after tax for the period from discontinued operations		-	(306,778)
<b>PROFIT FOR THE PERIOD</b>		<b>6,540,643</b>	4,226,892
<b>Attributable to:</b>			
Equity holders of the Parent Company		<b>5,990,604</b>	4,072,549
Non-controlling interests		<b>550,039</b>	154,343
		<b>6,540,643</b>	4,226,892
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY (FILS)</b>	5	<b>21.86</b>	14.68
<b>BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY (FILS)</b>	5	<b>21.86</b>	15.05

The attached notes 1 to 15 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 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
Note	<b>2023</b>	2022
	<b>KD</b>	<b>KD</b>
<b>PROFIT FOR THE PERIOD</b>	<b>6,540,643</b>	4,226,892
<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>613,898</b>	(916,853)
Cost of hedging reserve – changes in fair value	<b>(64,075)</b>	(260,734)
Cost of hedging reserve – amortised to profit or loss	<b>130,405</b>	108,057
Net income (loss) on cash flow hedges	<b>680,228</b>	(1,069,530)
Exchange differences on translation of foreign operations	<b>4,443</b>	(26,986)
Share of other comprehensive income of equity-accounted investees	6 <b>(124,130)</b>	-
<b>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods</b>	<b>560,541</b>	(1,096,516)
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>		
Net loss on equity instruments designated at fair value through other comprehensive income	<b>(3,500)</b>	-
<b>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods</b>	<b>(3,500)</b>	-
<b>Other comprehensive income (loss) for the period</b>	<b>557,041</b>	(1,096,516)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>7,097,684</b>	3,130,376
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>6,560,444</b>	3,004,434
Non-controlling interests	<b>537,240</b>	125,942
	<b>7,097,684</b>	3,130,376

The attached notes 1 to 15 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 31 March 2023

		31 March 2023	(Audited) 31 December 2022	31 March 2022
	Notes	KD	KD	KD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant, and equipment		102,360,119	101,715,627	92,742,572
Intangible assets		205,902	223,291	314,921
Medium-term instalment credit receivables		649,780	952,820	293,914
Investment in equity-accounted investees	6	2,721,472	3,065,573	251,107
Financial assets at fair value through other comprehensive income		462,000	465,500	-
		<u>106,399,273</u>	<u>106,422,811</u>	<u>93,602,514</u>
<b>Current assets</b>				
Inventories		48,879,504	52,345,292	23,186,291
Accounts receivable and prepayments		8,519,102	9,556,026	7,963,650
Receivables from related parties	11	7,314,930	3,846,370	83,270
Cash and short-term deposits	7	23,698,816	15,908,263	24,655,614
		<u>88,412,352</u>	<u>81,655,951</u>	<u>55,888,825</u>
Assets held for sale		-	-	2,213,846
<b>TOTAL ASSETS</b>		<u><u>194,811,625</u></u>	<u><u>188,078,762</u></u>	<u><u>151,705,185</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	8	(2,954,654)	(2,954,654)	-
Treasury shares reserve	8	5,139	5,139	-
Asset revaluation surplus		31,508,181	31,508,181	20,791,681
Cash flow hedge reserve		463,209	(591,721)	(1,803,421)
Cost of hedging reserve		(42,386)	(110,857)	(182,742)
Fair value reserve		(12,717)	(9,217)	(47,059)
Foreign currency translation reserve		(427,652)	(365,807)	(50,078)
Other reserve		1,196,343	1,196,343	733,212
Retained earnings		8,533,127	11,860,187	6,152,511
<b>Equity attributable to equity holders of the Parent Company</b>		<u>70,694,957</u>	<u>72,963,961</u>	<u>56,075,860</u>
Non-controlling interests		6,449,133	6,702,293	6,373,078
<b>Total equity</b>		<u>77,144,090</u>	<u>79,666,254</u>	<u>62,448,938</u>
<b>Non-current liabilities</b>				
Islamic finance payables	9	15,651,657	13,981,281	14,193,810
Employees' end of service benefits		5,606,983	5,451,636	4,929,884
Accounts payable and accruals	10	12,502,927	11,976,988	11,374,907
		<u>33,761,567</u>	<u>31,409,905</u>	<u>30,498,601</u>
<b>Current liabilities</b>				
Islamic finance payables	9	2,822,989	2,623,038	1,747,705
Accounts payable and accruals	10	75,221,369	70,069,985	51,122,225
Payables to related parties	11	5,861,610	4,309,580	4,267,294
		<u>83,905,968</u>	<u>77,002,603</u>	<u>57,137,224</u>
Liabilities directly associated with assets classified as held for sale		-	-	1,620,422
<b>Total liabilities</b>		<u>117,667,535</u>	<u>108,412,508</u>	<u>89,256,247</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>194,811,625</u></u>	<u><u>188,078,762</u></u>	<u><u>151,705,185</u></u>

  
**Eng. Fahad Ali Mohammed Thunayan Alghanim**  
Chairman

The attached notes 1 to 15 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 31 March 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	-	-	-	-	-	-	-	-	-	-	5,990,604	5,990,604	550,039	6,540,643
Other comprehensive income (loss) for the period	-	-	-	-	-	566,714	68,471	(3,500)	(61,845)	-	-	569,840	(12,799)	557,041
Total comprehensive income (loss) for the period	-	-	-	-	-	566,714	68,471	(3,500)	(61,845)	-	5,990,604	6,560,444	537,240	7,097,684
Transfer of cash flow hedge reserve to inventories	-	-	-	-	-	488,216	-	-	-	-	-	488,216	(10,160)	478,056
Dividends to equity holders of the Parent Company (Note 12)	-	-	-	-	-	-	-	-	-	-	(9,317,664)	(9,317,664)	-	(9,317,664)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(780,240)	(780,240)
<b>At 31 March 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>463,209</b>	<b>(42,386)</b>	<b>(12,717)</b>	<b>(427,652)</b>	<b>1,196,343</b>	<b>8,533,127</b>	<b>70,694,957</b>	<b>6,449,133</b>	<b>77,144,090</b>

The attached notes 1 to 15 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 31 March 2023

	Attributable to equity holders of the Parent Company										Non-controlling interests KD	Total equity KD
	Share capital KD	Statutory 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	-	-	-	-	-	-	-	-	4,072,549	4,072,549	154,343	4,226,892
Other comprehensive (loss) income for the period	-	-	-	(916,853)	(152,677)	-	1,415	-	-	(1,068,115)	(28,401)	(1,096,516)
Total comprehensive (loss) income for the period	-	-	-	(916,853)	(152,677)	-	1,415	-	4,072,549	3,004,434	125,942	3,130,376
Transfer of cash flow hedge reserve to inventories	-	-	-	169,518	-	-	-	-	-	169,518	-	169,518
Dividends to equity holders of the Parent Company (Note 12)	-	-	-	-	-	-	-	-	(4,440,000)	(4,440,000)	-	(4,440,000)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(380,165)	(380,165)
At 31 March 2022	27,750,000	2,731,756	20,791,681	(1,803,421)	(182,742)	(47,059)	(50,078)	733,212	6,152,511	56,075,860	6,373,078	62,448,938

The attached notes 1 to 15 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 31 March 2023

		<i>Three months ended</i>	
		<i>31 March</i>	
		<b>2023</b>	<b>2022</b>
		<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>	<i>Notes</i>		
Profit before tax from continuing operations		<b>6,837,441</b>	4,628,722
Loss from discontinued operations		-	(306,778)
		<b>6,837,441</b>	4,321,944
Profit before tax		<b>6,837,441</b>	4,321,944
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Gain on disposal of property, plant and equipment		(73)	(3,780)
Gain on derecognition of leases		(74)	-
Share of results of equity-accounted investees	6	<b>232,998</b>	-
Depreciation of property, plant and equipment		<b>1,778,852</b>	1,759,266
Amortisation of intangible assets		<b>17,389</b>	11,666
Allowance for (reversal of) provision for old and obsolete inventories	4	<b>304,816</b>	(10,106)
(Reversal of) allowance for expected credit losses on trade receivables	4	<b>(25,220)</b>	7,592
Provision for employees' end of service benefits		<b>170,721</b>	267,701
Rent concession income		-	(15,750)
Finance costs on loans and borrowings		<b>279,771</b>	148,343
Interest expense on lease liabilities		<b>46,511</b>	88,359
		<b>9,643,132</b>	6,575,235
<i>Working capital adjustments:</i>			
Inventories		<b>4,084,247</b>	1,378,419
Medium-term instalment credit receivables		<b>303,040</b>	47,411
Accounts receivable and prepayments		<b>1,675,495</b>	190,630
Amounts due from related parties		<b>(263,065)</b>	243,481
Amounts due to related parties		<b>(36,208)</b>	-
Accounts payable and accruals		<b>(4,721,853)</b>	4,887,379
		<b>10,684,788</b>	13,322,555
Cash flows from operations		<b>10,684,788</b>	13,322,555
Employees' end of service benefits paid		<b>(15,374)</b>	(50,574)
		<b>10,669,414</b>	13,271,981
<b>Net cash flows from operating activities</b>		<b>10,669,414</b>	13,271,981
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(1,947,030)</b>	(485,916)
Proceeds from disposal of property, plant and equipment		<b>26,503</b>	123,470
Net movement in receivables from related party		<b>(3,215,855)</b>	-
		<b>(5,136,382)</b>	(362,446)
<b>Net cash flows used in investing activities</b>		<b>(5,136,382)</b>	(362,446)
<b>FINANCING ACTIVITIES</b>			
Proceeds from Islamic finance payables		<b>2,700,000</b>	-
Repayment of Islamic finance payables		<b>(829,673)</b>	(6,290,120)
Dividends paid to non-controlling interests		<b>(317,640)</b>	(380,165)
Net movement in payables to related parties		<b>1,588,238</b>	(285,071)
Dividends paid to equity holders of the Parent Company		<b>(35,703)</b>	-
Finance costs paid		<b>(279,771)</b>	(148,343)
Payment of lease liabilities		<b>(569,162)</b>	(516,165)
		<b>2,256,289</b>	(7,619,864)
<b>Net cash flows from (used in) financing activities</b>		<b>2,256,289</b>	(7,619,864)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>7,789,321</b>	5,289,671
Net increase in cash and cash equivalents related to assets held for sale		-	367,034
Cash and cash equivalents at 1 January		<b>14,908,263</b>	19,068,429
Foreign currency translation differences		<b>1,232</b>	(69,520)
		<b>22,698,816</b>	24,655,614
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	7	<b>22,698,816</b>	24,655,614

The attached notes 1 to 15 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 31 March 2023

**Non-cash items excluded from the interim condensed consolidated statement of cash flows:**

	Notes	Three months ended	
		31 March	
		2023	2022
		KD	KD
Effective portion of gain (loss) on hedging instruments (adjusted with accounts receivable and prepayments)	15	<b>660,234</b>	(923,862)
Additions to lease liabilities (adjusted with accounts payable and accruals)		<b>1,137,653</b>	2,661,577
Additions to right-of-use assets (adjusted with property, plant and equipment)		<b>(1,137,653)</b>	(2,661,577)
Investment in equity-accounted investees (adjusted with amounts due from related parties)	6	<b>(10,360)</b>	-
Dividends payable to non-controlling interests (adjusted with accounts payable and accruals)		<b>(462,600)</b>	-
Remeasurement of right-of-use assets (adjusted property, plant and equipment)		<b>(38,845)</b>	-
Remeasurement of lease liabilities (adjusted with accounts payable and accruals)		<b>38,845</b>	-
Derecognition of right-of-use assets (adjusted property, plant and equipment)		<b>229,846</b>	-
Derecognition of lease liabilities (adjusted with accounts payable and accruals)		<b>(229,920)</b>	-
Transfer of property, plant and equipment from (to) inventories (net) - (adjusted with property, plant and equipment)		<b>445,139</b>	636,756
Transfer of property, plant and equipment (from) to inventories (net) - (adjusted with inventories)		<b>(445,139)</b>	(636,756)

The attached notes 1 to 15 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 31 March 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 three months ended 31 March 2023 was authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 9 May 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 subsequently paid by the Group for the year then ended are provided in Note 12.

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 Bursa Kuwait. The Board of Commissioners of Kuwait Capital Markets Authority (“CMA”) approved the listing of the Parent Company on Bursa Kuwait in the Premier Market on 28 April 2022. The Parent Company’s shares were listed in the Premier Market of Bursa 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 three months ended 31 March 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. The management consider that there are no material uncertainties that may cast doubt 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 end of the reporting period.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 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.

**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>31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>
<b>Type of goods or service:</b>		
Sales of vehicles and spare parts	<b>58,786,821</b>	36,499,588
Vehicle inspection, repair and maintenance services	<b>2,814,757</b>	2,283,667
<b>Total revenue from contracts with customers</b>	<b>61,601,578</b>	38,783,255
<b>Geographical markets:</b>		
Kuwait	<b>57,265,401</b>	34,698,794
Iraq	<b>4,336,177</b>	4,084,461
<b>Total revenue from contracts with customers</b>	<b>61,601,578</b>	38,783,255
<b>Timing of revenue recognition:</b>		
Goods transferred at a point in time	<b>58,786,821</b>	36,499,588
Services rendered at a point in time	<b>2,814,757</b>	2,283,667
<b>Total revenue from contracts with customers</b>	<b>61,601,578</b>	38,783,255

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 31 March 2023

**4 PROFIT FOR THE PERIOD**

The profit for the period is stated after charging:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<u>2023</u>	<u>2022</u>
	<i>KD</i>	<i>KD</i>
<b>Staff costs included in:</b>		
Cost of sales and services rendered	982,514	937,612
Distributions costs	737,794	619,867
Administrative expenses	1,649,762	1,787,633
	<u>3,370,070</u>	<u>3,345,112</u>
<b>Rent - operating leases included in*:</b>		
Cost of sales and services rendered	4,500	4,500
Distributions costs	1,200	2,010
Administrative expenses	6,587	5,703
	<u>12,287</u>	<u>12,213</u>
<b>Costs of inventories recognised as an expense (included in cost of sales and services rendered)</b>	<u>44,365,040</u>	<u>28,079,576</u>
<b>Rental vehicle fleet insurance charges (included in cost of sales and services rendered)</b>	<u>54,283</u>	<u>64,923</u>
<b>Allowance for (reversal of) provision for old and obsolete inventories included in:</b>		
Administrative expenses	37,312	4,777
Distribution costs	267,504	(14,883)
	<u>304,816</u>	<u>(10,106)</u>
<b>(Reversal of) allowance for provision for expected credit losses on trade receivables included in:</b>		
Administrative expenses	(31,667)	2,665
Distribution costs	6,447	4,927
	<u>(25,220)</u>	<u>7,592</u>
<b>Depreciation expense recognised included in:</b>		
Cost of sales and services rendered	653,845	625,497
Distributions costs	773,753	557,105
Administrative expenses	351,254	444,710
	<u>1,778,852</u>	<u>1,627,312</u>

\* 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 31 March 2023

### 5 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>31 March</i>	
	<i>2023</i>	<i>2022</i>
Profit from continuing operations attributable to equity holders of the Parent Company (KD)	<b>5,990,604</b>	4,176,859
Loss for the period from discontinued operations attributable to equity holders of the Parent Company (KD)	-	(104,310)
<b>Profit for the period attributable to equity holders of the Parent Company (KD)</b>	<b>5,990,604</b>	4,072,549
Weighted average number of shares outstanding during the period (shares)*	<b>274,048,954</b>	277,500,000
<b>Basic and diluted EPS attributable to equity holders of the Parent Company (Fils)</b>	<b>21.86</b>	14.68
<b>Basic and diluted EPS from continuing operations attributable to equity holders of the Parent Company (Fils)</b>	<b>21.86</b>	15.05

\* 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.

### 6 INVESTMENT IN EQUITY-ACCOUNTED INVESTEEES

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>As at 1 January</b>	<b>3,065,573</b>	251,107	251,107
Additions	<b>10,360</b>	4,323,321	-
Share of loss	<b>(232,998)</b>	(678,436)	-
Share of other comprehensive income	<b>(124,130)</b>	(822,885)	-
Exchange differences	<b>2,667</b>	(7,534)	-
<b>Total equity accounted investments</b>	<b>2,721,472</b>	3,065,573	251,107

#### *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., 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.

# 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 31 March 2023

### 6 INVESTMENT IN EQUITY-ACCOUNTED INVESTEEES (continued)

#### *Global Auto S.A.E (continued)*

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 three months ended 31 March 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 a nominal amount towards the capital of the investee. These amounts were adjusted against the amounts owed by related parties. The joint venture is not publicly listed and is the official dealership of a renowned automobile brand in the Arab Republic of Egypt.

### 7 CASH AND CASH EQUIVALENTS

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

	<b>31 March 2023 KD</b>	<i>(Audited)</i> <b>31 December 2022 KD</b>	<b>31 March 2022 KD</b>
Cash at banks and on hand	<b>15,979,473</b>	13,687,002	24,655,614
Cash held in managed portfolios	<b>1,219,343</b>	1,221,261	-
Short-term deposits	<b>6,500,000</b>	1,000,000	-
<b>Cash and short-term deposits as per the interim condensed consolidated statement of financial position</b>	<b>23,698,816</b>	15,908,263	24,655,614
Less: Term deposits with original maturity of more than three months but less than twelve months after the reporting period	<b>(1,000,000)</b>	(1,000,000)	-
<b>Cash and cash equivalents for the purpose of Interim condensed consolidated statement of cash flows</b>	<b>22,698,816</b>	14,908,263	24,655,614

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.

### 8 TREASURY SHARES

	<b>31 March 2023</b>	<i>(Audited)</i> <b>31 December 2022</b>	<b>31 March 2022</b>
Number of treasury shares	<b>3,451,046</b>	3,451,046	-
Percentage of total outstanding shares %	<b>1.24%</b>	1.24%	-
Cost (KD)	<b>2,954,654</b>	2,954,654	-
Market value (KD)	<b>3,174,962</b>	2,778,092	-
Weighted average market value per share (Fils)	<b>920</b>	805	-

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.

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 31 March 2023

**9 ISLAMIC FINANCE PAYABLES**

	<i>31 March</i>	<i>(Audited)</i>	<i>31 March</i>
	<i>2023</i>	<i>31 December</i>	<i>2022</i>
	<i>KD</i>	<i>2022</i>	<i>2022</i>
		<i>KD</i>	<i>KD</i>
Islamic finance payables	<b>18,474,646</b>	16,604,319	15,941,515
Non-current	<b>15,651,657</b>	13,981,281	14,193,810
Current	<b>2,822,989</b>	2,623,038	1,747,705
	<b>18,474,646</b>	16,604,319	15,941,515

Islamic finance payables include tawarruq facilities amounting to KD 12,929,368 (31 December 2022: KD 12,073,928; 31 March 2022: KD 13,012,337) which bear finance costs at commercial rates and are secured by a corporate guarantee provided by certain Group entities (Note 11). The remaining Islamic finance payables are unsecured and bear finance costs at commercial rates.

**10 ACCOUNTS PAYABLE AND ACCRUALS**

	<i>31 March 2023</i>		
	<i>Non-current</i>	<i>Current</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Trade payables	-	33,119,241	33,119,241
Advances from customers	-	15,153,541	15,153,541
Contract liabilities*	8,187,511	3,261,422	11,448,933
Lease liabilities	4,035,952	1,727,160	5,763,112
Accrued expenses	138,800	9,456,648	9,595,448
Deferred revenue	73,802	147,604	221,406
Dividends payable	-	9,821,065	9,821,065
Other payables	66,862	2,534,688	2,601,550
	<b>12,502,927</b>	<b>75,221,369</b>	<b>87,724,296</b>
	<b>12,502,927</b>	<b>75,221,369</b>	<b>87,724,296</b>

	<i>31 December 2022 (Audited)</i>		
	<i>Non-current</i>	<i>Current</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Trade payables	-	36,915,879	36,915,879
Advances from customers	-	18,304,949	18,304,949
Contract liabilities*	7,787,486	3,147,415	10,934,901
Lease liabilities	3,866,723	1,472,243	5,338,966
Accrued expenses	138,800	8,147,353	8,286,153
Deferred revenue	117,117	58,561	175,678
Dividend payable	-	77,394	77,394
Other payables	66,862	1,946,191	2,013,053
	<b>11,976,988</b>	<b>70,069,985</b>	<b>82,046,973</b>
	<b>11,976,988</b>	<b>70,069,985</b>	<b>82,046,973</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 31 March 2023

### 10 ACCOUNTS PAYABLE AND ACCRUALS (continued)

	31 March 2022		
	Non-current KD	Current KD	Total KD
Trade payables	-	24,319,103	24,319,103
Advances from customers	-	8,315,098	8,315,098
Contract liabilities*	6,147,104	3,696,483	9,843,587
Lease liabilities	4,980,399	1,434,877	6,415,276
Accrued expenses	138,800	5,676,628	5,815,428
Deferred revenue	108,604	58,388	166,992
Dividend payable	-	4,562,180	4,562,180
Other payables	-	3,059,468	3,059,468
	<u>11,374,907</u>	<u>51,122,225</u>	<u>62,497,132</u>

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

### 11 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 months ended 31 March 2023 and 2022, as well as balances with related parties as at 31 March 2023, 31 December 2022 and 31 March 2022:

	Entities under common control		
	Three months ended		
	31 March 2023 KD	31 March 2022 KD	
<b>Interim condensed consolidated statement of profit or loss</b>			
Sale of goods	<b>233,924</b>	2,105	
Rendering of services	<b>3,628</b>	-	
Vehicle rental income	<b>2,798</b>	-	
Purchased services	<b>(12,164)</b>	-	
		(Audited)	
	<b>31 March 2023 KD</b>	<b>31 December 2022 KD</b>	<b>31 March 2022 KD</b>
<b>Interim condensed consolidated statement of financial position</b>			
<i>Receivables from related parties:</i>			
Entities under common control/ownership	<b>191,767</b>	99,049	83,270
Equity-accounted investees*	<b>7,106,320</b>	3,745,437	-
Other related parties	<b>16,843</b>	1,884	-
	<u><b>7,314,930</b></u>	<u>3,846,370</u>	<u>83,270</u>

\* The balance includes a convertible loan amounting to KD 3,748,500 (31 December 2022: 3,745,437; 31 March 2022: Nil) advanced to Global Auto S.A.E. ("associate") to finance the investee's working capital. The amount is unsecured, interest free and have no repayment schedule and will be capitalised in exchange for shares in the associate once the legal proceedings are complete.



# 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 31 March 2023

### 11 RELATED PARTY DISCLOSURES (continued)

	<i>31 March</i> <b>2023</b> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <b>2022</b> <i>KD</i>	<i>31 March</i> <b>2022</b> <i>KD</i>
<i>Payables to related parties:</i>			
Key management	<b>496,621</b>	537,901	521,728
Entities under common control/ownership	<b>5,589</b>	516	3,322
Other related parties	<b>5,359,400</b>	3,771,163	3,742,244
	<b>5,861,610</b>	4,309,580	4,267,294

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

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

#### Other related party transactions

- ▶ Islamic finance payables include tawarruq facilities amounting to KD 12,929,368 (31 December 2022: KD 12,073,928; 31 March 2022: KD 13,012,337) secured by a corporate guarantee provided by certain Group entities.
- ▶ Certain related party has provided corporate guarantee to the Group amounting to KD 14,993,368 (31 December 2022: KD 16,965,013; 31 March 2022: KD 12,691,126) in the ordinary course of business.
- ▶ As at 31 March 2023, the Group has provided a corporate guarantee of KD 6,285,240 (31 December 2022: KD 6,702,828; 31 March 2022: Nil) in the ordinary course of business to be utilised by a related party.

#### 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 the</i> <i>three months ended</i>		<i>Balance outstanding as at</i> <i>(Audited)</i>		
	<i>31 March</i> <b>2023</b> <i>KD</i>	<i>31 March</i> <b>2022</b> <i>KD</i>	<i>31 March</i> <b>2023</b> <i>KD</i>	<i>31 December</i> <b>2022</b> <i>KD</i>	<i>31 March</i> <b>2022</b> <i>KD</i>
Salaries and short-term benefits	<b>120,718</b>	109,990	<b>862,058</b>	859,543	233,722
End of service benefits	<b>9,180</b>	8,533	<b>502,223</b>	493,043	431,664
	<b>129,898</b>	118,523	<b>1,364,281</b>	1,352,586	665,386

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 period.

# 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 31 March 2023

### 12 DIVIDENDS MADE AND PROPOSED

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 subsequently paid.

Dividends payable as at 31 March 2023 amounted to KD 9,821,065 (31 December 2022: KD 77,394 and 31 March 2022: KD 4,562,180) and are recorded within "Accounts payable and accruals" in the interim condensed consolidated statement of financial position.

### 13 CONTINGENCIES

#### 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.

#### 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 26,303,081 (31 December 2022: KD 30,026,650; 31 March 2022: KD 19,334,382), out of which KD 6,285,240 (31 December 2022: KD 6,702,828; 31 March 2022: Nil) is utilised by a related party, from which it is anticipated that no material liability will arise.

### 14 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 period ended 31 March 2023 and 2022, respectively:

	<i>Revenue</i>		<i>Results</i>	
	<i>Three months ended</i>		<i>Three months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
Kuwait	<b>60,469,058</b>	36,318,611	<b>16,852,859</b>	9,092,537
Iraq	<b>4,336,177</b>	4,084,461	<b>822,488</b>	539,422
Egypt	-	-	-	(306,779)
United Arab Emirates*	-	-	<b>(59,277)</b>	7,282
Adjustments and eliminations	<b>(2,112,027)</b>	(618,347)	<b>(11,075,427)</b>	(5,105,570)
	<b>62,693,208</b>	39,784,725	<b>6,540,643</b>	4,226,892

# 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 31 March 2023

### 14 SEGMENT INFORMATION (continued)

#### b) Segment assets and liabilities

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

	<i>31 March</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>31 March</i> <i>2022</i> <i>KD</i>
<b>Segment assets</b>			
Kuwait	223,981,712	210,254,928	175,929,438
Iraq	9,875,245	8,535,449	6,720,390
Egypt	-	-	2,213,846
United Arab Emirates*	10,220,443	7,178,544	9,418,834
Adjustments and eliminations	(49,265,775)	(37,890,159)	(42,577,323)
<b>Total consolidated segment assets</b>	<b>194,811,625</b>	<b>188,078,762</b>	<b>151,705,185</b>
<b>Segment liabilities</b>			
Kuwait	120,763,185	101,471,155	82,865,154
Iraq	4,495,295	3,079,356	2,426,398
Egypt	-	-	1,620,321
United Arab Emirates*	5,369,441	3,778,634	7,644,858
Adjustments and eliminations	(12,960,386)	83,363	(5,300,484)
<b>Total consolidated segment liabilities</b>	<b>117,667,535</b>	<b>108,412,508</b>	<b>89,256,247</b>

\* In presenting the geographic information, the segment has been based on the country of domicile of the legal entity; geographical location of customers and assets is based in Egypt.

### 15 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</i> <i>market</i> <i>prices</i> <i>(Level 1)</i> <i>KD</i>	<i>Significant</i> <i>observable</i> <i>inputs</i> <i>(Level 2)</i> <i>KD</i>	<i>Total</i> <i>KD</i>
<b>31 March 2023</b>			
<b>Financial instruments measured at fair value:</b>			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	462,000	-	462,000
<i>Derivative financial assets</i>			
Foreign exchange forward contracts	-	660,234	660,234
<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

# 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 31 March 2023

### 15 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Fair value measurement using		
	<i>Quoted market prices (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 March 2022</i>			
Financial instruments measured at fair value:			
<i>Derivative financial liabilities</i>			
Foreign exchange forward contracts	-	(923,862)	(923,862)

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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