

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

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

**30 SEPTEMBER 2024**



## **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 2024, 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.

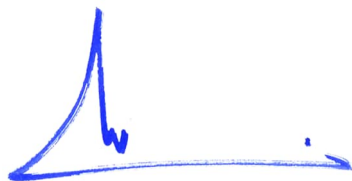
### ***Conclusion***

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 2024, 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 establishment of Capital Markets Authority (“CMA”) and organisation of security activity and its executive regulations as amended during the nine-month period ended 30 September 2024, that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER

LICENCE NO. 207 A

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AL AIBAN, AL OSAIMI & PARTNERS

10 November 2024

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 30 September 2024

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
		<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
Revenue from contracts with customers	3	<b>54,886,514</b>	68,384,678	<b>182,641,918</b>	193,490,841
Vehicle lease income		<b>1,522,613</b>	1,095,903	<b>3,881,349</b>	3,348,258
<b>Revenue</b>		<b>56,409,127</b>	69,480,581	<b>186,523,267</b>	196,839,099
Cost of sales and services rendered		<b>(41,732,290)</b>	(52,273,856)	<b>(140,117,723)</b>	(148,511,157)
<b>GROSS PROFIT</b>		<b>14,676,837</b>	17,206,725	<b>46,405,544</b>	48,327,942
Other operating income		<b>92,592</b>	51,084	<b>311,415</b>	329,295
Selling and distribution expenses		<b>(3,715,019)</b>	(4,818,415)	<b>(12,457,930)</b>	(13,625,482)
Administrative expenses		<b>(2,161,574)</b>	(2,765,669)	<b>(7,769,530)</b>	(9,678,588)
<b>OPERATING PROFIT</b>		<b>8,892,836</b>	9,673,725	<b>26,489,499</b>	25,353,167
Finance costs		<b>(926,777)</b>	(599,165)	<b>(2,397,241)</b>	(1,401,615)
Share of results of equity-accounted investees	7	<b>980,286</b>	773,652	<b>2,853,545</b>	2,270,442
<b>PROFIT BEFORE TAX</b>		<b>8,946,345</b>	9,848,212	<b>26,945,803</b>	26,221,994
Taxation	5	<b>(488,787)</b>	(677,918)	<b>(1,586,991)</b>	(1,649,556)
<b>PROFIT FOR THE PERIOD</b>		<b>8,457,558</b>	9,170,294	<b>25,358,812</b>	24,572,438
<b>Attributable to:</b>					
Equity holders of the Parent Company		<b>7,228,164</b>	7,513,366	<b>21,485,861</b>	20,928,834
Non-controlling interests		<b>1,229,394</b>	1,656,928	<b>3,872,951</b>	3,643,604
		<b>8,457,558</b>	9,170,294	<b>25,358,812</b>	24,572,438
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY (FILS)</b>	6	<b>26.38</b>	27.42	<b>78.42</b>	76.37

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 2024

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>PROFIT FOR THE PERIOD</b>	<b>8,457,558</b>	9,170,294	<b>25,358,812</b>	24,572,438
<b>Other comprehensive (loss) income</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	-	40,807	-	539,674
Cost of hedging reserve – changes in fair value	-	866	-	(117,381)
Cost of hedging reserve – amortised to profit or loss	-	19,895	-	228,238
Net income on cash flow hedges	-	61,568	-	650,531
Net exchange differences on translation of foreign operations	<b>(138,329)</b>	15,150	<b>(6,515,853)</b>	(599,041)
<b>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods</b>	<b>(138,329)</b>	76,718	<b>(6,515,853)</b>	51,490
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>				
Net gain (loss) on equity instruments designated at fair value through other comprehensive income	<b>10,500</b>	45,500	<b>(77,000)</b>	94,500
<b>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods</b>	<b>10,500</b>	45,500	<b>(77,000)</b>	94,500
<b>Other comprehensive (loss) income for the period</b>	<b>(127,829)</b>	122,218	<b>(6,592,853)</b>	145,990
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>8,329,729</b>	9,292,512	<b>18,765,959</b>	24,718,428
<b>Attributable to:</b>				
Equity holders of the Parent Company	<b>7,168,683</b>	7,636,950	<b>18,086,301</b>	21,335,201
Non-controlling interests	<b>1,161,046</b>	1,655,562	<b>679,658</b>	3,383,227
	<b>8,329,729</b>	9,292,512	<b>18,765,959</b>	24,718,428

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 2024

		(Audited)	
	30 September 2024	31 December 2023	30 September 2023
	KD	KD	KD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, and equipment	113,242,539	109,949,266	105,415,294
Intangible assets	130,495	75,989	77,363
Medium-term receivables	567,881	972,529	916,579
Investment in equity-accounted investees	7 13,154,794	12,262,937	9,227,758
Financial assets at fair value through other comprehensive income	532,000	609,000	560,000
	<u>127,627,709</u>	<u>123,869,721</u>	<u>116,196,994</u>
<b>Current assets</b>			
Inventories	83,803,174	63,292,109	66,227,651
Accounts receivable and prepayments	12,762,246	8,851,965	9,443,491
Receivables from related parties	12 6,618,547	6,688,528	8,174,303
Cash and short-term deposits	8 16,426,610	20,480,145	22,302,638
	<u>119,610,577</u>	<u>99,312,747</u>	<u>106,148,083</u>
<b>TOTAL ASSETS</b>	<u><u>247,238,286</u></u>	<u><u>223,182,468</u></u>	<u><u>222,345,077</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	27,750,000	27,750,000	27,750,000
Statutory reserve	7,676,188	7,676,188	4,676,367
Treasury shares	9 (3,079,961)	(3,011,204)	(2,954,654)
Treasury shares reserve	5,139	5,139	5,139
Asset revaluation surplus	31,508,181	31,508,181	31,508,181
Fair value reserve	57,283	134,283	85,283
Foreign currency translation reserve	(4,482,554)	(1,159,994)	(704,471)
Other reserve	1,196,343	1,196,343	1,196,343
Retained earnings	20,740,824	18,432,439	13,879,644
<b>Equity attributable to equity holders of the Parent Company</b>	<u>81,371,443</u>	<u>82,531,375</u>	<u>75,441,832</u>
Non-controlling interests	9,473,305	9,897,447	9,305,280
<b>Total equity</b>	<u>90,844,748</u>	<u>92,428,822</u>	<u>84,747,112</u>
<b>Non-current liabilities</b>			
Islamic finance payables	10 35,177,915	29,048,163	26,471,528
Employees' end of service benefits	6,148,935	5,845,787	5,683,835
Trade payables, accruals and other provisions	11 14,927,079	16,383,512	14,811,653
	<u>56,253,929</u>	<u>51,277,462</u>	<u>46,967,016</u>
<b>Current liabilities</b>			
Islamic finance payables	10 18,595,315	4,459,073	13,069,074
Trade payables, accruals and other provisions	11 69,789,617	65,336,472	68,951,850
Payables to related parties	12 11,754,677	9,680,639	8,610,025
	<u>100,139,609</u>	<u>79,476,184</u>	<u>90,630,949</u>
<b>TOTAL LIABILITIES</b>	<u>156,393,538</u>	<u>130,753,646</u>	<u>137,597,965</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>247,238,286</u></u>	<u><u>223,182,468</u></u>	<u><u>222,345,077</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 2024

	<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 reserves</i> KD	<i>Retained earnings</i> KD			<i>Sub-total</i> KD
<b>As at 1 January 2024</b> <i>(Audited)</i>	<b>27,750,000</b>	<b>7,676,188</b>	<b>(3,011,204)</b>	<b>5,139</b>	<b>31,508,181</b>	-	-	<b>134,283</b>	<b>(1,159,994)</b>	<b>1,196,343</b>	<b>18,432,439</b>	<b>82,531,375</b>	<b>9,897,447</b>	<b>92,428,822</b>
Profit for the period	-	-	-	-	-	-	-	-	-	-	21,485,861	21,485,861	3,872,951	25,358,812
Other comprehensive loss for the period	-	-	-	-	-	-	-	(77,000)	(3,322,560)	-	-	(3,399,560)	(3,193,293)	(6,592,853)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(77,000)	(3,322,560)	-	-	21,485,861	18,086,301	679,658	18,765,959
Net purchase of treasury shares	-	-	(68,757)	-	-	-	-	-	-	-	-	(68,757)	-	(68,757)
Dividends to equity holders of the Parent Company (Note 13)	-	-	-	-	-	-	-	-	-	-	(19,177,476)	(19,177,476)	-	(19,177,476)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,103,800)	(1,103,800)
<b>At 30 September 2024</b>	<b>27,750,000</b>	<b>7,676,188</b>	<b>(3,079,961)</b>	<b>5,139</b>	<b>31,508,181</b>	-	-	<b>57,283</b>	<b>(4,482,554)</b>	<b>1,196,343</b>	<b>20,740,824</b>	<b>81,371,443</b>	<b>9,473,305</b>	<b>90,844,748</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 2024

	Attributable to equity holders of the Parent Company											Sub-total KD	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			
As at 1 January 2023 (Audited)	27,750,000	4,676,367	(2,954,654)	5,139	31,508,181	(591,721)	(110,857)	(9,217)	(365,807)	1,196,343	11,860,187	72,963,961	6,702,293	79,666,254
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)
At 30 September 2023	<u>27,750,000</u>	<u>4,676,367</u>	<u>(2,954,654)</u>	<u>5,139</u>	<u>31,508,181</u>	<u>-</u>	<u>-</u>	<u>85,283</u>	<u>(704,471)</u>	<u>1,196,343</u>	<u>13,879,644</u>	<u>75,441,832</u>	<u>9,305,280</u>	<u>84,747,112</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 2024

	Notes	<i>Nine months ended</i>	
		<i>30 September</i>	
		<b>2024</b>	<b>2023</b>
		<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>			
Profit before tax		<b>26,945,803</b>	26,221,994
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Gain on disposal of property, plant and equipment		<b>(19,320)</b>	(14,245)
Gain on derecognition and remeasurement of leases		<b>(10,075)</b>	(842)
Share of results of equity-accounted investees	7	<b>(2,853,545)</b>	(2,270,442)
Depreciation of property, plant and equipment and right of use assets	4	<b>4,606,851</b>	5,719,359
Amortisation of intangible assets		<b>23,479</b>	169,542
Charge of provision for old and obsolete inventories	4	<b>53,559</b>	860,705
Allowance for provision for expected credit losses on trade receivables	4	<b>103,332</b>	468,120
Provision for employees' end of service benefits		<b>630,021</b>	478,733
Dividend income		<b>(26,250)</b>	(26,250)
Finance costs on Islamic finance payables		<b>2,202,804</b>	1,240,773
Interest expense on lease liabilities		<b>194,437</b>	160,842
		<b>31,851,096</b>	33,008,289
<i>Working capital adjustments:</i>			
Inventories		<b>(18,147,978)</b>	(16,020,578)
Medium term receivables		<b>404,648</b>	36,241
Accounts receivable and prepayments		<b>(4,000,904)</b>	(57,163)
Receivables from related parties		<b>69,981</b>	(117,908)
Payables to related parties		<b>(107,075)</b>	(30,138)
Accounts payable and accruals		<b>4,165,297</b>	93,974
Cash flows from operations		<b>14,235,065</b>	16,912,717
Employees' end of service benefits paid		<b>(326,873)</b>	(246,534)
Taxes paid		<b>(1,701,027)</b>	(967,094)
<b>Net cash flows from operating activities</b>		<b>12,207,165</b>	15,699,089
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(10,162,422)</b>	(5,447,576)
Proceeds from disposal of property, plant and equipment		<b>204,467</b>	213,013
Purchase of intangible assets		<b>(77,985)</b>	(23,398)
Net movement in receivables from related parties		-	(4,210,025)
Net payments made to investment in equity accounted investee	7	<b>(4,605,375)</b>	(4,605,000)
Dividend income received		<b>26,250</b>	26,250
Net movement in term deposits		-	1,000,000
<b>Net cash flows used in investing activities</b>		<b>(14,615,065)</b>	(13,046,736)
<b>FINANCING ACTIVITIES</b>			
Proceeds from Islamic finance payables		<b>30,250,000</b>	25,400,000
Repayment of Islamic finance payables		<b>(14,062,365)</b>	(2,463,717)
Dividends paid to non-controlling interests		<b>(867,560)</b>	(780,240)
Net movement in payables to related parties		<b>2,181,113</b>	4,330,583
Purchase of treasury shares		<b>(68,757)</b>	-
Dividends paid to equity holders of the Parent Company		<b>(19,154,628)</b>	(18,922,702)
Finance costs paid on Islamic finance payables		<b>(2,202,804)</b>	(1,240,773)
Payment of lease liabilities		<b>(1,850,592)</b>	(1,691,441)
<b>Net cash flows (used in) from financing activities</b>		<b>(5,775,593)</b>	4,631,710

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 2024

	Notes	Nine months ended	
		30 September	
		2024	2023
		KD	KD
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(8,183,493)</b>	7,284,063
Cash and cash equivalents at 1 January		<b>20,480,145</b>	14,908,263
Net foreign exchange difference		<b>51,599</b>	110,312
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	8	<b>12,348,251</b>	22,302,638
<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	-	5,074
Additions to lease liabilities (adjusted with accounts payable and accruals)		<b>893,312</b>	2,811,945
Additions to right-of-use assets (adjusted with property, plant and equipment)		<b>(893,312)</b>	(2,811,945)
Dividends payable to non-controlling interests (adjusted with accounts payable and accruals)		<b>236,240</b>	-
Derecognition and remeasurement of right-of-use assets (adjusted property, plant and equipment)		<b>534,842</b>	216,618
Derecognition and remeasurement of lease liabilities (adjusted with accounts payable and accruals)		<b>(544,917)</b>	(217,460)
Transfer of property, plant and equipment from (to) inventories (net) - (adjusted with property, plant and equipment)		<b>2,414,591</b>	1,327,854
Transfer of property, plant and equipment (from) to inventories (net) - (adjusted with inventories)		<b>(2,414,591)</b>	(1,327,854)

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 2024

### 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 2024 was authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 10 November 2024.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 28 March 2024 approved the consolidated financial statements for the year ended 31 December 2023. 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 Parent Company’s shares were listed in the Premier Market of Boursa Kuwait on 7 June 2022, therefore the name of the Parent Company was changed 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.
- ▶ Renting Cars
- ▶ 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 MATERIAL ACCOUNTING POLICY INFORMATION

#### 2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the nine months ended 30 September 2024 has been prepared in accordance with International Accounting Standard 34: “*Interim Financial Reporting*” (“IAS 34”). The Group has prepared the interim condensed consolidated financial information 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 2024.

The interim condensed consolidated financial information does not contain all information and disclosures required for full Consolidated 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 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.1 Basis of preparation (continued)**

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 2023 and 30 September 2023 and profit for the periods then ended. Such reclassifications have been made to improve the quality of information presented.

**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 2023, except for the adoption of new standards effective as of 1 January 2024. 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 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

**Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of consolidated financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

**Lease Liability in a Sale and Leaseback – Amendments to IFRS 16**

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial information.

**Classification of Liabilities as Current or Non-current – Amendments to IAS 1**

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's 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 2024

**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>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</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>51,241,757</b>	64,915,884	<b>172,106,639</b>	183,608,738
Vehicle inspection, repair and maintenance services	<b>3,240,843</b>	3,018,999	<b>9,228,515</b>	8,576,156
Insurance brokerage income	<b>403,914</b>	449,795	<b>1,306,764</b>	1,305,947
<b>Total revenue from contracts with customers</b>	<b>54,886,514</b>	68,384,678	<b>182,641,918</b>	193,490,841
<b>Geographical markets:</b>				
Kuwait	<b>48,637,438</b>	63,449,021	<b>164,806,888</b>	179,876,960
Iraq	<b>6,249,076</b>	4,935,657	<b>17,835,030</b>	13,613,881
<b>Total revenue from contracts with customers</b>	<b>54,886,514</b>	68,384,678	<b>182,641,918</b>	193,490,841
<b>Timing of revenue recognition:</b>				
Goods transferred at a point in time	<b>50,738,163</b>	64,470,008	<b>170,637,204</b>	182,407,618
Goods transferred over a period of time	<b>503,594</b>	445,876	<b>1,469,435</b>	1,201,120
Services rendered at a point in time	<b>3,272,616</b>	3,174,620	<b>9,517,773</b>	9,032,209
Services rendered over a period of time	<b>372,141</b>	294,174	<b>1,017,506</b>	849,894
<b>Total revenue from contracts with customers</b>	<b>54,886,514</b>	68,384,678	<b>182,641,918</b>	193,490,841

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 2024

**4 PROFIT FOR THE PERIOD**

The profit for the period is stated after charging:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</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>1,432,281</b>	1,137,818	<b>4,167,464</b>	3,333,059
Selling and distribution expenses	<b>750,950</b>	652,608	<b>2,242,554</b>	1,984,765
Administrative expenses	<b>1,240,885</b>	1,939,443	<b>4,752,600</b>	5,688,220
	<b>3,424,116</b>	3,729,869	<b>11,162,618</b>	11,006,044
<b>Expense relating to short term leases included in:</b>				
Cost of sales and services rendered	<b>9,908</b>	6,375	<b>51,113</b>	17,250
Administrative expenses	<b>14,777</b>	8,652	<b>36,839</b>	27,242
	<b>24,685</b>	15,027	<b>87,952</b>	44,492
<b>Costs of inventories recognised as an expense (included in cost of sales and services rendered)</b>	<b>38,187,401</b>	49,450,358	<b>130,412,284</b>	139,732,332
<b>Rental vehicle fleet insurance charges (included in cost of sales and services rendered)</b>	<b>186,441</b>	74,661	<b>469,166</b>	196,901
<b>(Reversal) charge of provision for old and obsolete inventories included in:</b>				
Cost of sales and services rendered	<b>(28,940)</b>	371,984	<b>53,559</b>	860,705
<b>Allowance for provision for ECL on trade receivables and instalment credit receivables included in:</b>				
Selling and distribution expenses	<b>5,023</b>	4,323	<b>16,590</b>	17,210
Administrative expenses	<b>(149,294)</b>	117,889	<b>86,742</b>	450,910
	<b>(144,271)</b>	122,212	<b>103,332</b>	468,120
<b>Depreciation expense recognised included in:</b>				
Cost of sales and services rendered	<b>554,939</b>	644,935	<b>1,593,458</b>	1,826,504
Selling and distribution expenses	<b>564,418</b>	723,042	<b>2,223,233</b>	2,595,125
Administrative expenses	<b>424,493</b>	542,177	<b>790,160</b>	1,297,730
	<b>1,543,850</b>	1,910,154	<b>4,606,851</b>	5,719,359

# 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 2024

#### 5 TAXATION

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Taxation on overseas subsidiary	<b>180,425</b>	267,551	<b>583,774</b>	556,938
National Labour Support Tax (“NLST”)	<b>165,296</b>	230,236	<b>550,293</b>	615,064
Contribution to Kuwait Foundation for the Advances of Sciences (“KFAS”)	<b>76,056</b>	88,036	<b>228,661</b>	231,528
Zakat	<b>67,010</b>	92,095	<b>224,263</b>	246,026
	<b>488,787</b>	677,918	<b>1,586,991</b>	1,649,556

#### *Pillar 2 Income Taxes*

In 2021, OECD’s Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) had agreed to a two-pillar solution in order to address tax challenges arising from digitalization of the economy. Under Pillar 2, multinational entities whose revenue exceed EUR 750 million are liable to pay corporate income tax at a minimum effective tax rate of 15%.

The jurisdictions in which the Group operates including the State of Kuwait have joined the IF.

The Group is currently assessing its exposure to the additional income taxes under Pillar 2 regulations. The assessment indicates that a substantial portion of Group’s earnings, primarily from Kuwait, Iraq and UAE will be subject to additional income taxes under Pillar 2 regulations. A reasonable estimate of the additional tax cannot be provided at this stage, as the relevant tax legislation is yet to be introduced in Kuwait and some other jurisdictions.

#### 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>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Profit for the period attributable to equity holders of the Parent Company (KD)	<b>7,228,164</b>	7,513,366	<b>21,485,861</b>	20,928,834
Weighted average number of shares outstanding during the period (shares)*	<b>273,967,461</b>	274,048,954	<b>273,967,461</b>	274,048,954
<b>Basic and diluted EPS attributable to equity holders of the Parent Company (Fils)</b>	<b>26.38</b>	27.42	<b>78.42</b>	76.37

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares 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 30 September 2024

#### 6 BASIC AND DILUTED EARNINGS PER SHARE (EPS) (continued)

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

#### 7 INVESTMENT IN EQUITY-ACCOUNTED INVESTEEES

	<i>30 September</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>30 September</i> <i>2023</i> <i>KD</i>
<b>As at 1 January</b>	<b>12,262,937</b>	3,065,573	3,065,573
Additions	<b>4,605,375</b>	8,356,256	4,605,000
Share of profit for the period	<b>2,853,545</b>	3,510,835	2,270,442
Other movements	-	(944,194)	-
Exchange differences	<b>(6,567,063)</b>	(1,725,533)	(713,257)
<b>Total equity accounted investments</b>	<b>13,154,794</b>	12,262,937	9,227,758

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

At 31 December 2023, the Group capitalised a convertible loan amounting to KD 3,751,256 advanced to Global Auto SAE which was previously included within receivables from related parties. This transaction does not involve any cash out flows at the date of conversion.

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

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

The Group made an additional contribution of KD 4,605,375 (USD 15 million) towards the capital of the investee during the current period ended 30 September 2024.

#### 8 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:

	<i>30 September</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>30 September</i> <i>2023</i> <i>KD</i>
Cash at banks and on hand	<b>14,518,185</b>	17,297,262	15,911,102
Cash held in managed portfolios	<b>1,908,425</b>	1,682,883	1,241,536
Short-term deposits	-	1,500,000	5,150,000
<b>Cash and short-term deposits</b>	<b>16,426,610</b>	20,480,145	22,302,638
Less: Bank overdrafts	<b>(4,078,359)</b>	-	-
<b>Cash and cash equivalents</b>	<b>12,348,251</b>	20,480,145	22,302,638

Term deposits are subject to an insignificant risk of changes in value. These are placed with local Islamic financial institutions and earn yields at the respective short-term deposit 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 2024

**9 TREASURY SHARES**

	<b>30 September 2024</b>	<i>(Audited)</i> 31 December 2023	30 September 2023
Number of treasury shares	<b>3,573,546</b>	3,506,046	3,451,046
Percentage of total outstanding shares	<b>1.29%</b>	1.26%	1.24%
Cost (KD)	<b>3,079,961</b>	3,011,204	2,954,654
Market value (KD)	<b>3,802,253</b>	3,702,385	4,003,213
Market value per share (Fils)	<b>1,064</b>	1,056	1,160

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**

	<b>30 September 2024 KD</b>	<i>(Audited)</i> 31 December 2023 KD	30 September 2023 KD
Islamic finance payables	<b>53,773,230</b>	33,507,236	39,540,602
Non-current	<b>35,177,915</b>	29,048,163	26,471,528
Current	<b>18,595,315</b>	4,459,073	13,069,074
	<b>53,773,230</b>	33,507,236	39,540,602

Islamic finance payables include facilities amounting to KD 15,983,529 (31 December 2023: KD 17,412,093; 30 September 2023: KD 17,433,033) 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 TRADE PAYABLES, ACCRUALS AND OTHER PROVISIONS**

	<b>30 September 2024</b>		
	<i>Non-current KD</i>	<i>Current KD</i>	<i>Total KD</i>
Trade payables	-	<b>38,916,171</b>	<b>38,916,171</b>
Advances from customers	-	<b>8,311,433</b>	<b>8,311,433</b>
Contract liabilities*	<b>10,722,820</b>	<b>4,684,001</b>	<b>15,406,821</b>
Lease liabilities	<b>3,889,259</b>	<b>2,026,028</b>	<b>5,915,287</b>
Accrued expenses and provisions	-	<b>11,044,912</b>	<b>11,044,912</b>
Dividends payable	-	<b>311,737</b>	<b>311,737</b>
Other payables	<b>315,000</b>	<b>4,495,335</b>	<b>4,810,335</b>
	<b>14,927,079</b>	<b>69,789,617</b>	<b>84,716,696</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 2024

### 11 TRADE PAYABLES, ACCRUALS AND OTHER PROVISIONS (continued)

	<i>31 December 2023 (Audited)</i>		
	<i>Non-current KD</i>	<i>Current KD</i>	<i>Total KD</i>
Trade payables	-	30,602,018	30,602,018
Advances from customers	-	14,100,419	14,100,419
Contract liabilities*	9,287,115	4,146,019	13,433,134
Lease liabilities	5,052,960	2,175,846	7,228,806
Accrued expenses and provisions	-	12,474,484	12,474,484
Dividend payable	-	52,549	52,549
Other payables	2,043,437	1,785,137	3,828,574
	<u>16,383,512</u>	<u>65,336,472</u>	<u>81,719,984</u>
	<i>30 September 2023</i>		
	<i>Non-current KD</i>	<i>Current KD</i>	<i>Total KD</i>
Trade payables	-	35,849,910	35,849,910
Advances from customers	-	12,762,028	12,762,028
Contract liabilities*	9,063,390	4,280,276	13,343,666
Lease liabilities	4,430,038	1,973,204	6,403,242
Accrued expenses and provisions	138,800	11,934,096	12,072,896
Dividends payable	-	64,069	64,069
Other payables	1,179,425	2,088,267	3,267,692
	<u>14,811,653</u>	<u>68,951,850</u>	<u>83,763,503</u>

\* Contract liabilities represent unsatisfied performance obligations as at the reporting date towards vehicle maintenance contracts and extended warranties.

### 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 nine months ended 30 September 2024 and 2023, as well as balances with related parties as at 30 September 2024, 31 December 2023 and 30 September 2023:

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 2024

12 RELATED PARTY DISCLOSURES (continued)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Interim condensed consolidated statement of profit or loss</b>				
<i>Entities under common control</i>				
Sale of goods	<b>59,816</b>	2,621	<b>136,995</b>	338,849
Rendering of services	<b>28,834</b>	1,624	<b>30,032</b>	9,733
Vehicle rental income	<b>11,247</b>	-	<b>26,305</b>	-
Administrative expenses	<b>(9,080)</b>	(5,150)	<b>(22,936)</b>	(23,109)
<i>Associate of the Ultimate Parent Company</i>				
Sale of goods	<b>290,054</b>	309,409	<b>738,774</b>	637,475
Rendering of services	<b>20,134</b>	9,761	<b>36,409</b>	17,413
			<i>(Audited)</i>	
		<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
		<i>2024</i>	<i>2023</i>	<i>2023</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Consolidated statement of financial position</b>				
Investment in a quoted equity security*		<b>532,000</b>	609,000	560,000
Trade receivables*		<b>1,135,369</b>	944,684	546,341
Receivables from related parties:				
- Entities under common control /ownership		<b>9,067</b>	224,208	51,022
- Equity-accounted investees**		<b>6,411,679</b>	6,452,746	8,110,642
- Associate of the Ultimate Parent Company		<b>7,974</b>	-	-
- Other related parties		<b>189,827</b>	11,574	12,639
		<b>6,618,547</b>	6,688,528	8,174,303

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

\*\* The balance includes an amount of KD 6,208,263 (31 December 2023: KD 6,297,566; 30 September 2023: KD 7,955,462) advanced to Global Auto S.A.E. to finance the working capital and other requirements. The amount is unsecured, interest free and callable after the respective termination dates as per the loan agreement at the discretion of the Group.

	<i>30 September</i>	<i>(Audited)</i>	
		<i>31 December</i>	<i>30 September</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Payables to related parties:</i>			
Key management personnel	<b>5,346</b>	108,717	24,519
Entities under common control/ownership	<b>4,478</b>	12,598	727
Other related parties***	<b>11,744,853</b>	9,559,324	8,584,779
	<b>11,754,677</b>	9,680,639	8,610,025

\*\*\* As at the period end this balance includes an amount payable to the non-controlling investor of German Automotive Holding Limited amounting to KD 11,257,408 (31 December 2023: KD 9,076,295; 30 September 2023: KD 8,101,746).

# 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 2024

### 12 RELATED PARTY DISCLOSURES (continued)

#### 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 2024, the Group has not recognised any provision for expected credit losses relating to amounts owed by related parties (31 December 2023: Nil; 30 September 2023: Nil).

#### Other related party disclosures

- ▶ Islamic finance payables include tawarruq facilities amounting to KD 15,983,529 (31 December 2023: KD 17,412,093; 30 September 2023: KD 17,433,033) secured by a corporate guarantee provided by certain Group entities (Note 10).
- ▶ As at 30 September 2023, the Group has provided a corporate guarantee of KD 7,005,564 (31 December 2023: KD 7,018,824; 30 September 2023: KD 6,721,596) in the ordinary course of business to be utilised by a related party (Note 14).

#### 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>	
	<i>30 September 2024</i>	<i>30 September 2023</i>	<i>30 September 2024</i>	<i>30 September 2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and short-term benefits	<b>93,246</b>	99,151	<b>266,788</b>	325,244
End of service benefits	<b>9,153</b>	7,582	<b>32,669</b>	24,823
	<b>102,399</b>	106,733	<b>299,457</b>	350,067
			<i>Balance outstanding as at</i>	
			<i>30 September 2024</i>	<i>31 December 2023</i>
			<i>KD</i>	<i>KD</i>
				<i>(Audited)</i>
Salaries and short-term benefits		<b>159,393</b>	1,121,042	175,172
End of service benefits		<b>504,924</b>	472,255	464,445
Directors' remuneration		-	85,000	-
		<b>664,317</b>	1,678,297	639,617

The Board of Directors of the Parent Company at the meeting held on 20 February 2024 proposed directors' remuneration of KD 85,000 (31 December 2022: KD 35,000) for the year ended 31 December 2023. This proposal was approved by the shareholders at the AGM held on 28 March 2024 and paid during the current 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 30 September 2024

### 13 DIVIDENDS MADE AND PROPOSED

The Board of Directors of the Parent Company in their meeting held on 6 August 2024 declared an interim cash dividend of 35 fils per share aggregating to KD 9,587,688 (30 September 2023: 35 fils per share aggregating to KD 9,591,713) on outstanding shares (excluding treasury shares) for the period ended 30 June 2024.

The Board of Directors of the Parent Company in their meeting held on 20 February 2024 proposed a distribution of a cash dividend of 35 fils per share aggregating to KD 9,589,788 for the year ended 31 December 2023 (2022: 34 fils per share aggregating to KD 9,317,664). The proposed dividends for the year then ended were approved by the shareholders at AGM held on 28 March 2024 and was paid during the current period.

Dividends payable to equity holders of the parent company as at 30 September 2024 amounted to KD 75,397 (31 December 2023: KD 52,549 and 30 September 2023: KD 64,069) 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.

#### 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 22,845,604 (31 December 2023: KD 19,205,172; 30 September 2023: KD 19,332,072), out of which KD 7,005,564 (31 December 2023: KD 7,018,824; 30 September 2023: KD 6,721,596) 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 three main geographical segments that are: a) State of Kuwait, b) Iraq c) 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 2024 and 2023, 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>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Kuwait	<b>183,061,136</b>	191,297,906	<b>40,758,846</b>	43,159,654
Iraq	<b>17,835,030</b>	13,613,881	<b>3,282,394</b>	3,100,257
United Arab Emirates	-	-	<b>2,845,109</b>	2,476,928
Adjustments and eliminations	<b>(14,372,899)</b>	(8,072,688)	<b>(21,527,537)</b>	(24,164,401)
	<b>186,523,267</b>	196,839,099	<b>25,358,812</b>	24,572,438

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 2024

15 SEGMENT INFORMATION (continued)

b) Segment assets and liabilities

The following tables present assets and liabilities information for the Group's operating segments as at 30 September 2024, 31 December 2023 and 30 September 2023, respectively:

	<i>30 September</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>30 September</i> <i>2023</i> <i>KD</i>
<b>Segment assets</b>			
Kuwait	<b>256,401,403</b>	236,747,456	234,392,815
Iraq	<b>18,370,514</b>	13,897,389	12,348,047
United Arab Emirates	<b>19,912,668</b>	19,089,109	17,720,146
Adjustments and eliminations	<b>(47,446,299)</b>	(46,551,486)	(42,115,931)
<b>Total consolidated segment assets</b>	<b>247,238,286</b>	223,182,468	222,345,077
<b>Segment liabilities</b>			
Kuwait	<b>148,105,822</b>	125,146,601	129,223,253
Iraq	<b>6,599,957</b>	4,587,596	4,585,373
United Arab Emirates	<b>11,263,174</b>	9,084,962	8,111,230
Adjustments and eliminations	<b>(9,575,415)</b>	(8,065,513)	(4,321,891)
<b>Total consolidated segment liabilities</b>	<b>156,393,538</b>	130,753,646	137,597,965

c) Other profit and loss disclosures

	<i>Share of profit (loss) of equity</i> <i>accounted investees</i>		<i>Cost of inventories recognised as</i> <i>an expense</i>	
	<i>Nine months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2024</i> <i>KD</i>	<i>2023</i> <i>KD</i>	<i>2024</i> <i>KD</i>	<i>2023</i> <i>KD</i>
Kuwait	-	(172,527)	<b>118,425,447</b>	131,750,495
Iraq	-	-	<b>11,986,837</b>	7,981,837
United Arab Emirates*	<b>2,853,545</b>	2,442,969	-	-
	<b>2,853,545</b>	2,270,442	<b>130,412,284</b>	139,732,332

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 2024

15 SEGMENT INFORMATION (continued)

d) Other disclosures

	<b>30 September 2024</b>	<i>(Audited)</i> <b>31 December 2023</b>	<b>30 September 2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<i>Investment in equity accounted investees</i>			
United Arab Emirates	<b>13,154,794</b>	12,262,937	9,227,758
<i>Capital expenditure**</i>			
Kuwait	<b>10,112,556</b>	11,396,741	5,328,978
Iraq	<b>127,851</b>	66,833	141,996
	<b>10,240,407</b>	11,463,574	5,470,974

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

\*\* These represent addition to non-current assets other than financial instruments.

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)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Total</i>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>30 September 2024</b>			
<b>Financial instruments measured at fair value:</b>			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	<b>532,000</b>	-	<b>532,000</b>
<b>31 December 2023 (Audited)</b>			
<b>Financial instruments measured at fair value:</b>			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	609,000	-	609,000
<b>30 September 2023</b>			
<b>Financial instruments measured at fair value:</b>			
<i>Financial assets at FVOCI</i>			
Quoted equity securities	560,000	-	560,000
<i>Derivative financial liabilities</i>			
Foreign exchange forward contracts	-	(5,074)	(5,074)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

**16 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

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 2023.

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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