

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

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

31 MARCH 2025



EY

**Shape the future
with confidence**

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 2025, 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.

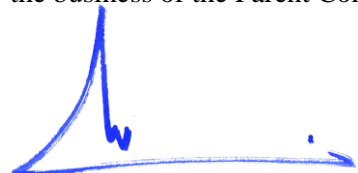
Conclusion

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 2025, 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 three-month period ended 31 March 2025, 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

EY

AL AIBAN, AL OSAIMI & PARTNERS

14 May 2025
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 2025

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		<i>2025 KD</i>	<i>2024 KD</i>
Revenue from contracts with customers	3	76,091,729	63,105,131
Vehicle lease income		1,708,461	1,121,895
Revenue		77,800,190	64,227,026
Cost of sales and services rendered		(60,435,211)	(48,727,938)
GROSS PROFIT		17,364,979	15,499,088
Other operating income		253,204	213,675
Selling and distribution expenses		(4,343,596)	(4,826,948)
Administrative expenses		(3,455,070)	(2,832,992)
OPERATING PROFIT		9,819,517	8,052,823
Finance costs		(862,731)	(666,785)
Share of results of equity-accounted investees	7	1,132,548	531,088
PROFIT BEFORE TAX		10,089,334	7,917,126
Taxation	5	(520,152)	(510,577)
PROFIT FOR THE PERIOD		9,569,182	7,406,549
Attributable to:			
Equity holders of the Parent Company		7,514,483	6,316,568
Non-controlling interests		2,054,699	1,089,981
		9,569,182	7,406,549
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY (FILS)	6	21.08	17.73

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 31 March 2025

	<i>Three months ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
PROFIT FOR THE PERIOD	9,569,182	7,406,549
Other comprehensive income (loss)		
<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	425,263	-
Cost of hedging reserve – changes in fair value	(94,243)	-
Cost of hedging reserve – amortised to profit or loss	41,966	-
Net gain on cash flow hedges	372,986	-
Net exchange differences on translation of foreign operations	146,141	(6,099,429)
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods	519,127	(6,099,429)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Net gain on equity instruments designated at fair value through other comprehensive income	-	28,000
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	-	28,000
Other comprehensive income (loss) for the period	519,127	(6,071,429)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10,088,309	1,335,120
Attributable to:		
Equity holders of the Parent Company	7,962,133	3,233,627
Non-controlling interests	2,126,176	(1,898,507)
	10,088,309	1,335,120

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 31 March 2025

		31 March 2025 KD	(Audited) 31 December 2024 KD	31 March 2024 KD
	Notes			
ASSETS				
Non-current assets				
Property, plant, and equipment		120,500,456	119,347,817	110,638,532
Intangible assets		132,902	131,661	79,125
Medium-term receivables		785,555	414,460	824,421
Investment in equity-accounted investees	7	21,673,148	13,425,748	11,307,654
Investment securities		2,197,283	2,060,426	637,000
		<u>145,289,344</u>	<u>135,380,112</u>	<u>123,486,732</u>
Current assets				
Inventories		91,239,948	92,898,376	74,174,699
Accounts receivable and prepayments		12,930,402	11,283,962	10,547,886
Receivables from related parties	13	6,783,753	6,783,871	6,606,174
Cash and short-term deposits	8	25,172,603	16,860,471	19,600,762
		<u>136,126,706</u>	<u>127,826,680</u>	<u>110,929,521</u>
TOTAL ASSETS		<u><u>281,416,050</u></u>	<u><u>263,206,792</u></u>	<u><u>234,416,253</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital	9	27,750,000	27,750,000	27,750,000
Statutory reserve		10,747,874	10,747,874	7,676,188
Treasury shares	10	(2,831,198)	(3,135,248)	(3,011,204)
Treasury shares reserve		121,409	5,139	5,139
Asset revaluation surplus		31,508,181	31,508,181	31,508,181
Cash flow hedge reserve		304,289	-	-
Cost of hedging reserve		(52,277)	-	-
Fair value reserve		74,783	74,783	162,283
Foreign currency translation reserve		(4,684,320)	(4,758,984)	(4,270,935)
Other reserve		1,196,343	1,196,343	1,196,343
Retained earnings		23,337,242	25,443,559	15,159,219
Equity attributable to equity holders of the Parent Company		<u>87,472,326</u>	<u>88,831,647</u>	<u>76,175,214</u>
Non-controlling interests		12,634,021	10,566,645	6,895,140
Total equity		<u>100,106,347</u>	<u>99,398,292</u>	<u>83,070,354</u>
Non-current liabilities				
Islamic finance payables	11	34,115,360	31,641,223	28,544,298
Employees' end of service benefits		6,428,182	6,245,422	6,006,416
Trade payables, accruals and other provisions	12	20,358,642	20,501,249	14,598,426
		<u>60,902,184</u>	<u>58,387,894</u>	<u>49,149,140</u>
Current liabilities				
Islamic finance payables	11	25,053,448	9,252,428	1,337,778
Trade payables, accruals and other provisions	12	83,281,843	84,176,775	88,902,001
Payables to related parties	13	12,072,228	11,991,403	11,956,980
		<u>120,407,519</u>	<u>105,420,606</u>	<u>102,196,759</u>
TOTAL LIABILITIES		<u>181,309,703</u>	<u>163,808,500</u>	<u>151,345,899</u>
TOTAL EQUITY AND LIABILITIES		<u><u>281,416,050</u></u>	<u><u>263,206,792</u></u>	<u><u>234,416,253</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 31 March 2025

	<i>Attributable to equity holders of the Parent Company</i>												<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Asset revaluation surplus KD</i>	<i>Cash flow hedge reserve KD</i>	<i>Cost of hedging reserve KD</i>	<i>Fair value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Other reserves KD</i>	<i>Retained earnings KD</i>	<i>Sub-total KD</i>		
As at 1 January 2025														
<i>(Audited)</i>	27,750,000	10,747,874	(3,135,248)	5,139	31,508,181	-	-	74,783	(4,758,984)	1,196,343	25,443,559	88,831,647	10,566,645	99,398,292
Profit for the period	-	-	-	-	-	-	-	-	-	-	7,514,483	7,514,483	2,054,699	9,569,182
Other comprehensive income (loss) for the period	-	-	-	-	-	425,263	(52,277)	-	74,664	-	-	447,650	71,477	519,127
Total comprehensive income (loss) for the period	-	-	-	-	-	425,263	(52,277)	-	74,664	-	7,514,483	7,962,133	2,126,176	10,088,309
Transfer of cash flow hedge reserve to inventories	-	-	-	-	-	(120,974)	-	-	-	-	-	(120,974)	-	(120,974)
Net movement of treasury shares	-	-	304,050	116,270	-	-	-	-	-	-	-	420,320	-	420,320
Dividends to equity holders of the Parent Company (Note 9)	-	-	-	-	-	-	-	-	-	-	(9,620,800)	(9,620,800)	-	(9,620,800)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(58,800)	(58,800)
At 31 March 2025	27,750,000	10,747,874	(2,831,198)	121,409	31,508,181	304,289	(52,277)	74,783	(4,684,320)	1,196,343	23,337,242	87,472,326	12,634,021	100,106,347

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 31 March 2025

	Attributable to equity holders of the Parent Company													
	Share capital KD	Statutory reserve KD	Treasury shares KD	Treasury shares reserve KD	Asset revaluation surplus KD	Cash flow hedge reserve KD	Cost of hedging reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Other reserve KD	Retained earnings KD	Sub-total KD	Non-controlling interests KD	Total equity KD
As at 1 January 2024 (Audited)	27,750,000	7,676,188	(3,011,204)	5,139	31,508,181	-	-	134,283	(1,159,994)	1,196,343	18,432,439	82,531,375	9,897,447	92,428,822
Profit for the period	-	-	-	-	-	-	-	-	-	-	6,316,568	6,316,568	1,089,981	7,406,549
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	28,000	(3,110,941)	-	-	(3,082,941)	(2,988,488)	(6,071,429)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	28,000	(3,110,941)	-	6,316,568	3,233,627	(1,898,507)	1,335,120
Dividends to equity holders of the Parent Company (Note 9)	-	-	-	-	-	-	-	-	-	-	(9,589,788)	(9,589,788)	-	(9,589,788)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,103,800)	(1,103,800)
At 31 March 2024	27,750,000	7,676,188	(3,011,204)	5,139	31,508,181	-	-	162,283	(4,270,935)	1,196,343	15,159,219	76,175,214	6,895,140	83,070,354

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 31 March 2025

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	<i>2025</i>	<i>2024</i>
		<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
Profit before tax		10,089,334	7,917,126
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Gain on disposal of property, plant and equipment		(17,545)	(12,544)
Share of results of equity-accounted investees	7	(1,132,548)	(531,088)
Unrealised gain on investment securities.		(136,857)	-
Depreciation of property, plant and equipment and right of use assets	4	2,002,636	1,719,044
Amortisation of intangible assets		8,479	6,556
Charge of provision for old and obsolete inventories	4	455,516	114,444
Allowance for expected credit losses on trade receivables	4	87,905	109,288
Provision for employees' end of service benefits		258,121	279,722
Finance costs on Islamic finance payables		778,561	595,573
Finance costs on lease liabilities		84,170	71,212
		12,477,772	10,269,333
<i>Working capital adjustments:</i>			
Inventories		1,267,012	(10,734,627)
Medium term receivables		(371,095)	148,108
Accounts receivable and prepayments		(1,309,479)	(1,796,445)
Receivables from related parties		118	82,354
Payables to related parties		80,825	(2,646)
Accounts payable and accruals		(17,513,787)	11,908,458
Cash flows (used in) from operations		(5,368,634)	9,874,535
Employees' end of service benefits paid		(75,361)	(119,093)
Taxes paid		(425,325)	(52,564)
Net cash flows (used in) from operating activities		(5,869,320)	9,702,878
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,985,333)	(2,606,124)
Proceeds from disposal of property, plant and equipment		22,941	80,699
Purchase of intangible assets		(9,720)	(9,692)
Net payments made towards investment in equity accounted investee	7	-	(4,605,375)
Net cash flows used in investing activities		(2,972,112)	(7,140,492)
FINANCING ACTIVITIES			
Proceeds from Islamic finance payables		24,500,000	2,350,000
Repayment of Islamic finance payables		(10,579,137)	(6,248,380)
Dividends paid to non-controlling interests		(58,800)	(858,715)
Net movement in treasury shares		420,320	-
Net movement in payables to related parties		-	2,278,987
Dividends paid to equity holders of the Parent Company		(7,434)	(3,434)
Finance costs paid on Islamic finance payables		(778,561)	(595,573)
Payment of lease liabilities		(667,166)	(629,894)
Net cash flows from (used in) financing activities		12,829,222	(3,707,009)

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 31 March 2025

	<i>Note</i>	<i>Three months ended</i>	
		<i>31 March</i>	
		<i>2025</i>	<i>2024</i>
		<i>KD</i>	<i>KD</i>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3,987,790	(1,144,623)
Cash and cash equivalents at 1 January		16,860,471	20,480,145
Net foreign exchange difference		(29,952)	(7,980)
CASH AND CASH EQUIVALENTS AT 31 MARCH	8	20,818,309	19,327,542

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

Additions to lease liabilities (adjusted with accounts payable and accruals)	354,193	197,581
Additions to right-of-use assets (adjusted with property, plant and equipment)	(354,193)	(197,581)
Dividends payable to non-controlling interests (adjusted with accounts payable and accruals)	-	(245,085)
Derecognition and remeasurement of right-of-use assets (adjusted property, plant and equipment)	4,469	58,394
Derecognition and remeasurement of lease liabilities (adjusted with accounts payable and accruals)	(4,469)	(58,394)
Transfer of property, plant and equipment from (to) inventories (net) - (adjusted with property, plant and equipment)	(185,499)	262,951
Transfer of property, plant and equipment (from) to inventories (net) - (adjusted with inventories)	185,499	(262,951)
Additions to equity-accounted investees (adjusted with accounts payable and accruals)	6,939,007	-
Additions to equity-accounted investees (adjusted with investment in equity-accounted investees)	(6,939,007)	-

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

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 2025 was authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 14 May 2025.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 27 March 2025 approved the consolidated financial statements for the year ended 31 December 2024. Dividends proposed and paid by the Group for the year then ended are provided in Note 9.

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.
- ▶ Leasing of 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.

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

The interim condensed consolidated financial information for the three months ended 31 March 2025 has been prepared in accordance with International Accounting standard 34 “*Interim Financial Reporting*”.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

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 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025 but does not have an impact on the interim condensed consolidated financial information of the Group.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's interim condensed consolidated financial information.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

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

	<i>Three months ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
Type of goods or service:		
Sales of vehicles and spare parts	72,385,378	59,755,076
Vehicle inspection, repair and maintenance services	3,267,223	2,917,795
Insurance brokerage income	439,128	432,260
Total revenue from contracts with customers	76,091,729	63,105,131
Geographical markets:		
Kuwait	63,403,653	58,141,254
Iraq	12,688,076	4,963,877
Total revenue from contracts with customers	76,091,729	63,105,131
Timing of revenue recognition:		
Goods transferred at a point in time	71,897,232	59,314,732
Goods transferred over a period of time	488,146	440,344
Services rendered at a point in time	3,315,132	3,008,545
Services rendered over a period of time	391,219	341,510
Total revenue from contracts with customers	76,091,729	63,105,131

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

4 PROFIT FOR THE PERIOD

The profit for the period is stated after charging:

	<i>Three months ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
Staff costs included in:		
Cost of sales and services rendered	1,279,711	1,368,124
Selling and distribution expenses	871,310	753,698
Administrative expenses	1,828,612	1,802,629
	3,979,633	3,924,451
Expense relating to short term leases included in:		
Cost of sales and services rendered	9,000	19,638
Administrative expenses	17,089	11,385
	26,089	31,023
Costs of inventories recognised as an expense (included in cost of sales and services rendered)	55,862,867	45,203,140
Rental vehicle fleet insurance charges (included in cost of sales and services rendered)	165,828	124,561
Charge of provision for obsolete and slow-moving inventories (included in cost of sales and services rendered)	455,516	114,444
Allowance for ECL on trade receivables and instalment credit receivables included in:		
Selling and distribution expenses	5,602	5,285
Administrative expenses	82,303	104,003
	87,905	109,288
Depreciation expense recognised included in:		
Cost of sales and services rendered	880,173	701,875
Selling and distribution expenses	723,489	815,769
Administrative expenses	398,974	201,400
	2,002,636	1,719,044

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

5 TAXATION

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
Taxation on overseas subsidiary	442,881	194,680
National Labour Support Tax ("NLST")	-	176,307
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	77,271	67,726
Zakat	-	71,864
	520,152	510,577

Pillar 2 Income Taxes

In 2021, the OECD's Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) agreed to a two-pillar solution to address tax challenges arising from digitalisation of the economy. Pillar 2 introduces a global minimum effective corporate income tax rate for multinational entities (MNEs) with annual consolidated revenues exceeding EUR 750 million, applied on a jurisdiction basis.

The Group is potentially within the scope of Pillar 2 legislation in the jurisdictions of the United Arab Emirates (UAE) and Kuwait. In Kuwait, the Pillar 2 Law ("new law") issued in December 2024 and came into effect (enacted) in January 2025 replaced the existing National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within its scope.

As at the reporting date of this interim condensed consolidated financial information, the Pillar 2 legislation has been substantially enacted in the relevant jurisdictions. The Group has engaged an independent tax advisor to assist in evaluating the impact of the legislation. Based on this assessment, management has determined that there is no likely potential top-up tax exposure to the Group's interim condensed consolidated financial information. Accordingly, no additional tax liability has been recognised.

The Group continues to monitor developments across the jurisdictions in which it operates and assess its overall exposure to Pillar 2 taxes.

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 (excluding treasury shares). 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 (excluding treasury shares) plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

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

	Three months ended 31 March	
	2025	2024*
Profit for the period attributable to equity holders of the Parent Company (KD)	7,514,483	6,316,568
Weighted average number of shares outstanding during the period, net of treasury shares (shares)*	356,413,425	356,192,140
Basic and diluted EPS attributable to equity holders of the Parent Company (fils)	21.08	17.73

* The comparative basic and diluted EPS has been adjusted to reflect the impact of bonus shares approved for issuance in 2025 (Note 9), in accordance with the requirements of IAS 33 'Earnings Per Share'. As the bonus share issue does not involve a corresponding change in resources, it is treated as if the shares had been issued at the beginning of the earliest period presented.

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

		(Audited)	
	31 March	31 December	31 March
	2025	2024	2024
	KD	KD	KD
As at 1 January	13,425,748	12,262,937	12,262,937
Additions	6,939,007	4,605,375	4,605,375
Share of profit for the period	1,132,548	3,649,050	531,088
Exchange differences	175,845	(7,091,614)	(6,091,746)
Total equity accounted investments	21,673,148	13,425,748	11,307,654

Global Auto S.A.E ("Global Auto")

During the period ended 31 March 2025, the Group acquired additional equity interest in Global Auto for a consideration of KD 6,939,007 (USD 22.5 million). The purchase consideration for the additional shares is included as part of 'trade payables, accruals and other provisions' and is payable over a period of twelve months. Subsequent to the reporting date, the legal formalities with respect to the share transfer have been completed.

Auto Mobility For Import Cars LLC ("Auto Mobility")

In 2024, the Group made an additional contribution of KD 4,605,375 (USD 15 million) towards the capital of the investee.

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8 CASH AND SHORT TERM DEPOSITS

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

	31 March 2025 KD	<i>(Audited)</i> 31 December 2024 KD	31 March 2024 KD
Cash at banks and on hand	24,290,595	16,313,055	18,998,357
Cash held in managed portfolios	772,008	352,416	602,405
Short-term deposits	110,000	195,000	-
Cash and short-term deposits	25,172,603	16,860,471	19,600,762
Less: Bank overdrafts	(4,354,294)	(195,000)	(273,220)
Cash and cash equivalents	20,818,309	16,665,471	19,327,542

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.

9 SHARE CAPITAL AND DISTRIBUTIONS MADE

9.1 Share capital

The authorised, issued and paid-up share capital as at 31 March 2025 is KD 27,750,000 (31 December 2024: KD 27,750,000 and 31 March 2024: KD 27,750,000) comprising of 277,500,000 (31 December 2024: 277,500,000 and 31 March 2024: 277,500,000) shares of 100 fils each.

At the Extraordinary General Assembly meeting (“EGM”) of the shareholders of the Parent Company held on 27 March 2025, a resolution was passed approving an increase in the authorised, issued and paid-up share capital of the Parent Company from KD 27,750,000 to KD 36,075,000 through the issuance of 83,250,000 bonus shares with a nominal value of 100 fils each, aggregating to KD 8,325,000. The capital increase was duly authenticated and registered in the commercial register on 14 April 2025 under registration number 399347.

9.2 Distributions made

On 27 March 2025, the Parent Company’s shareholders at the AGM approved the following:

- Cash dividends of 35 fils per share (31 December 2023: 35 fils per share) amounting to KD 9,620,800 (31 December 2023: KD 9,589,788) to the eligible shareholders on the record date (i.e. 27 April 2025), after excluding treasury shares; and
- Bonus shares of 30% amounting to KD 8,325,000 to the eligible shareholders as on record date 27 April 2025

Dividends payable to equity holders of the Parent Company as at 31 March 2025 amounted to KD 9,688,166 (31 December 2024: KD 74,800 and 31 March 2024: KD 9,883,988) and recorded within “trade payables, accruals and other provisions” in the interim condensed consolidated statement of financial position.

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10 TREASURY SHARES

	31 March 2025	<i>(Audited)</i> 31 December 2024	31 March 2024
Number of treasury shares	3,216,550	3,627,549	3,506,046
Percentage of total outstanding shares	1.16%	1.31%	1.26%
Cost (KD)	2,831,198	3,135,248	3,011,204
Market value (KD)	4,197,598	3,736,375	4,095,062
Market value per share (Fils)	1,305	1,030	1,168

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.

11 ISLAMIC FINANCE PAYABLES

	31 March 2025 KD	<i>(Audited)</i> 31 December 2024 KD	31 March 2024 KD
Islamic finance payables	59,168,808	40,893,651	29,882,076
Non-current	34,115,360	31,641,223	28,544,298
Current	25,053,448	9,252,428	1,337,778
	59,168,808	40,893,651	29,882,076

Islamic finance payables include facilities amounting to KD 15,666,301 (31 December 2024: KD 15,807,393; 31 March 2024: KD 19,030,013), which bear finance costs at prevailing commercial rates and are secured by a corporate guarantee provided by certain Group entities (Note 13). The remaining Islamic finance payables are unsecured and bear finance costs at commercial rates.

12 TRADE PAYABLES, ACCRUALS AND OTHER PROVISIONS

	Non-current KD	31 March 2025 Current KD	Total KD
Trade payables	-	37,184,184	37,184,184
Advances from customers	-	6,221,012	6,221,012
Contract liabilities*	12,963,266	4,954,693	17,917,959
Lease liabilities	5,358,093	2,506,235	7,864,328
Accrued expenses and provisions*	-	13,401,923	13,401,923
Dividends payable	-	9,688,166	9,688,166
Other payables	2,037,283	9,325,630	11,362,913
	20,358,642	83,281,843	103,640,485

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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12 TRADE PAYABLES, ACCRUALS AND OTHER PROVISIONS (continued)

	31 December 2024 (Audited)		
	Non-current KD	Current KD	Total KD
Trade payables	-	53,615,133	53,615,133
Advances from customers	-	8,752,398	8,752,398
Contract liabilities*	12,339,314	4,382,779	16,722,093
Lease liabilities	5,668,432	2,421,024	8,089,456
Accrued expenses and provisions*	-	12,798,084	12,798,084
Dividend payable	-	74,800	74,800
Other payables	2,493,503	2,132,557	4,626,060
	<u>20,501,249</u>	<u>84,176,775</u>	<u>104,678,024</u>
	31 March 2024		
	Non-current KD	Current KD	Total KD
Trade payables	-	41,728,311	41,728,311
Advances from customers	-	13,031,394	13,031,394
Contract liabilities*	9,158,861	4,653,908	13,812,769
Lease liabilities	4,780,049	2,031,163	6,811,212
Accrued expenses and provisions*	344,518	13,634,141	13,978,659
Dividend payable	-	9,883,988	9,883,988
Other payables	314,998	3,939,096	4,254,094
	<u>14,598,426</u>	<u>88,902,001</u>	<u>103,500,427</u>

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

13 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 2025 and 2024, as well as balances with related parties as at 31 March 2025, 31 December 2024 and 31 March 2024:

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

13 RELATED PARTY DISCLOSURES (continued)

	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
Interim condensed consolidated statement of profit or loss		
<i>Affiliates</i>		
Sale of goods	102,838	76,210
Rendering of services	1,305	821
Vehicle rental income	13,692	4,950
Administrative expenses	(23,980)	(2,256)
<i>Other related parties</i>		
Sale of goods	16,639	257,472
Rendering of services	9,167	6,940

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2025</i>	<i>2024</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Consolidated statement of financial position			
Investment in quoted equity securities	549,500	549,500	637,000
Trade receivables	121,481	608,556	996,880
Receivables from related parties:			
- Affiliates	9,503	41,045	125,953
- Equity-accounted investees*	6,437,811	6,431,699	6,466,093
- Other related parties	336,439	311,127	14,128
	6,783,753	6,783,871	6,606,174

* The balance includes an amount of KD 6,282,631 (31 December 2024: KD 6,276,519; 31 March 2024: KD 6,262,249) advanced to Global Auto 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>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2025</i>	<i>2024</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Payables to related parties:</i>			
Key management personnel	86,419	86,419	107,520
Affiliates	174,747	1,405	11,443
Other related parties**	11,811,062	11,903,579	11,838,017
	12,072,228	11,991,403	11,956,980

** As at the period end this balance includes an amount payable to the non-controlling investor of German Automotive Holding Limited amounting to KD 11,392,215 (31 December 2024: KD 11,381,135; 31 March 2024: KD 11,355,281).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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13 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 31 March 2025, the Group has not recognised any provision for expected credit losses relating to amounts owed by related parties (31 December 2024: Nil; 31 March 2024: Nil).

Other related party disclosures

- ▶ Islamic finance payables include tawarruq facilities amounting to KD 15,666,301 (31 December 2024: KD 15,807,393; 31 March 2024: KD 19,030,013) secured by a corporate guarantee provided by certain Group entities (Note 11).
- ▶ As at 31 March 2025, the Group has provided a corporate guarantee of KD 6,842,772 (31 December 2024: KD 6,603,888; 31 March 2024: KD 6,848,076) 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>Balance outstanding as at</i>		
	<i>31 March 2025 KD</i>	<i>31 March 2024 KD</i>	<i>31 March 2025 KD</i>	<i>31 December 2024 KD</i>	<i>31 March 2024 KD</i>
Salaries and short-term benefits	102,899	101,359	197,203	1,194,525	1,130,250
End of service benefits	18,273	17,219	530,878	512,605	489,474
Directors' remuneration	-	-	85,000	85,000	85,000
	121,172	118,578	813,081	1,792,130	1,704,724

The Board of Directors of the Parent Company in its meeting held on 20 February 2025 proposed directors' remuneration of KD 85,000 (31 December 2023: KD 85,000) for the year ended 31 December 2024. The remuneration was approved by the shareholders at the AGM held on 27 March 2025.

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 28,343,293 (31 December 2024: KD 23,319,766; 31 March 2024: KD 22,293,688), out of which KD 6,842,772 (31 December 2024: KD 6,603,888; 31 March 2024: KD 6,848,076) is utilised by a related party, from which it is anticipated that no material liability will arise (Note 13).

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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 result information of the Group's operating segments for the three-month ended 31 March 2025 and 2024, 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>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Kuwait	69,131,544	61,874,066	17,258,253	16,568,684
Iraq	12,688,076	4,963,877	2,551,521	1,098,236
United Arab Emirates	-	-	1,128,436	529,714
Adjustments and eliminations	(4,019,430)	(2,610,917)	(11,369,028)	(10,790,085)
	77,800,190	64,227,026	9,569,182	7,406,549

b) Segment assets and liabilities

The following tables present assets and liabilities information for the Group's operating segments as at 31 March 2025, 31 December 2024 and 31 March 2024, respectively:

	<i>31 March</i>	<i>(Audited)</i>	<i>31 March</i>
	<i>2025</i>	<i>31 December</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Segment assets			
Kuwait	291,064,170	275,093,161	255,397,108
Iraq	28,900,759	18,385,890	16,286,604
United Arab Emirates	21,566,396	20,253,526	18,144,939
Adjustments and eliminations	(60,115,275)	(50,525,785)	(55,412,398)
Total consolidated segment assets	281,416,050	263,206,792	234,416,253
Segment liabilities			
Kuwait	178,646,655	157,480,264	151,438,235
Iraq	13,253,219	6,052,964	6,624,574
United Arab Emirates	11,405,317	11,392,282	11,362,004
Adjustments and eliminations	(21,995,488)	(11,117,010)	(18,078,914)
Total consolidated segment liabilities	181,309,703	163,808,500	151,345,899

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15 SEGMENT INFORMATION (continued)

c) Other profit and loss disclosures

	<i>Share of profit of equity accounted investees</i>		<i>Cost of inventories recognised as an expense</i>	
	<i>Three months ended 31 March</i>		<i>Three months ended 31 March</i>	
	2025	2024	2025	2024
	KD	KD	KD	KD
Kuwait	-	-	46,327,051	41,834,097
Iraq	-	-	9,535,816	3,369,043
United Arab Emirates*	1,132,548	531,088	-	-
	1,132,548	531,088	55,862,867	45,203,140

d) Other disclosures

	31 March 2025 KD	<i>(Audited)</i> 31 December 2024 KD	31 March 2024 KD
<i>Investment in equity accounted investees</i>			
Kuwait	6,939,007	-	-
United Arab Emirates	14,734,141	13,425,748	11,307,654
	21,673,148	13,425,748	11,307,654
<i>Capital expenditure**</i>			
Kuwait	2,664,416	16,219,175	2,592,174
Iraq	330,637	272,344	23,642
	2,995,053	16,491,519	2,615,816

* 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.

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16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	Fair value measurement using		
	<i>Quoted market prices (Level 1) KD</i>	<i>Significant observable inputs (Level 2) KD</i>	<i>Total KD</i>
31 March 2025			
Assets measured at fair value:			
Financial assets at FVOCI			
Quoted equity securities	549,500	-	549,500
Financial assets at FVPL			
Unquoted open-ended fund	-	1,647,783	1,647,783
Investment securities (at fair value)	549,500	1,647,783	2,197,283
Assets measured at fair value:			
Derivative financial assets			
Foreign exchange forward contracts	-	487,040	487,040
31 December 2024 (Audited)			
Assets measured at fair value:			
Financial assets at FVOCI			
Quoted equity securities	549,500	-	549,500
Financial assets at FVTPL			
Unquoted open-ended fund	-	1,510,926	1,510,926
Investment securities (at fair value)	549,500	1,510,926	2,060,426
Liabilities measured at fair value:			
Derivative financial liabilities			
Foreign exchange forward contracts	-	(192,346)	(192,346)
31 March 2024			
Assets measured at fair value:			
Financial assets at FVOCI			
Quoted equity securities	637,000	-	637,000

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 2024.

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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