

**NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024
(UNAUDITED)
WITH
REPORT ON REVIEW**

NATIONAL CONSUMER HOLDING COMPANY - K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024
(UNAUDITED)
WITH
REPORT ON REVIEW

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of
National Consumer Holding Company - K.S.C. (Public)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Consumer Holding Company - K.S.C. (Public) "the Parent Company" and its subsidiaries "the Group" as of March 31, 2024 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim 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 Condensed Consolidated Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed consolidated 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 International Accounting Standard 34.

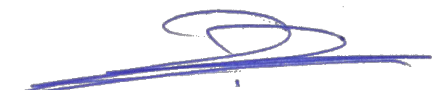
Report on Other Legal and Regulatory Requirements

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, its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of association, as amended, during the three months period ended March 31, 2024 that might have had a material effect on the Parent Company's financial position or result of its operations.

Furthermore, during our review we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority and its related regulations during the period ended March 31, 2024 that might have had a material effect on the Group's financial position or results of its operations.

State of Kuwait
May 14, 2024

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NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS OF MARCH 31, 2024

(All amounts are in Kuwaiti Dinars)

	Notes	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023
<u>ASSETS</u>				
Non-current assets:				
Property, plant and equipment		1,223,557	1,203,690	858,559
Right of use assets		1,680,032	1,833,401	57,579
Goodwill		6,698,640	6,698,640	-
Total non-current assets		9,602,229	9,735,731	916,138
Current assets:				
Financial assets at fair value through profit or loss	4	20,527,310	18,800,084	1,362,344
Inventories		131,187	139,673	222,094
Accounts receivable and other debit balances		1,287,538	1,118,340	613,817
Wakala investments		-	900,000	-
Cash and cash equivalents	5	220,815	814,758	25,067,177
Total current assets		22,166,850	21,772,855	27,265,432
Total assets		31,769,079	31,508,586	28,181,570
<u>EQUITY AND LIABILITIES</u>				
Equity:				
Share capital		30,000,000	30,000,000	30,000,000
Foreign currency translation reserve		(5,481)	(5,897)	(6,217)
Accumulated losses		(953,256)	(1,255,740)	(2,357,081)
Equity attributable to shareholders of the Parent Company		29,041,263	28,738,363	27,636,702
Non-controlling interests		-	-	337
Total equity		29,041,263	28,738,363	27,637,039
Non-current liabilities:				
Lease liabilities	6	1,370,352	1,520,655	50,284
Provision for end of service indemnity		231,004	217,990	59,135
Total non-current liabilities		1,601,356	1,738,645	109,419
Current liabilities:				
Lease liabilities	6	629,865	633,934	9,452
Accounts payable and other credit balances		496,595	397,644	425,660
Total current liabilities		1,126,460	1,031,578	435,112
Total liabilities		2,727,816	2,770,223	544,531
Total equity and liabilities		31,769,079	31,508,586	28,181,570

The accompanying notes from (1) to (11) form an integral part of the interim condensed consolidated financial information



Sheikh Ahmad Ali Jarrah Alsabah
Chairman

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended March 31,	
		2024	2023
Operating revenue:			
Service revenue	7	415,220	-
Sales revenue	7	179,006	253,292
Net investments income	7	374,361	-
		968,587	253,292
Operating expense:			
Service cost		(5,474)	-
Cost of sales		(158,700)	(216,853)
General and administrative expenses		(324,904)	(121,117)
Selling and marketing expenses		(12,625)	(15,115)
Depreciation and amortization		(168,358)	(3,799)
		(670,061)	(356,884)
Operating profit (loss)		298,526	(103,592)
Income from Wakala investment and short term bank deposits		2,545	309,253
Finance charges		(24,297)	(702)
Other income		36,103	15,585
Foreign exchange gain		1,059	507
Profit for the period before contribution to Zakat, National Labor Support Tax (NLST) and Kuwait Foundation for the Advancement of Sciences (KFAS)		313,936	221,051
Contribution to Zakat		(3,272)	(2,246)
Contribution to NLST		(8,180)	(5,616)
Contribution to KFAS		-	(1,989)
Profit for the period		302,484	211,200
Attributable to:			
Shareholders of the Parent Company		302,484	211,123
Non-controlling interests		-	77
Profit for the period		302,484	211,200
		Fils	Fils
Basic and diluted earnings per share attributable to shareholders of the Parent Company	8	1.008	0.704

The accompanying notes from (1) to (11) form an integral part of the interim condensed consolidated financial information.

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024
(All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	<u>2024</u>	<u>2023</u>
Profit for the period	<u>302,484</u>	<u>211,200</u>
Other comprehensive income:		
<u>Items that may be reclassified subsequently to condensed consolidated statement of profit or loss</u>		
Foreign currency translation adjustments	<u>416</u>	<u>240</u>
Other comprehensive income for the period	<u>416</u>	<u>240</u>
Total comprehensive income for the period	<u>302,900</u>	<u>211,440</u>
Attributable to:		
Shareholders of the Parent Company	<u>302,900</u>	<u>211,363</u>
Non-controlling interests	<u>-</u>	<u>77</u>
	<u>302,900</u>	<u>211,440</u>

The accompanying notes from (1) to (11) form an integral part of the interim condensed consolidated financial information.

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

(All amounts are in Kuwaiti Dinars)

	Equity Attributable to Shareholders of the Parent Company					Total equity
	Share capital	Foreign currency translation reserve	Accumulated losses	Sub-total	Non – controlling interests	
Balance at January 1, 2024	30,000,000	(5,897)	(1,255,740)	28,738,363	-	28,738,363
Profit for the period	-	-	302,484	302,484	-	302,484
Other comprehensive income for the period	-	416	-	416	-	416
Total comprehensive income for the period	-	416	302,484	302,900	-	302,900
Balance at March 31, 2024	30,000,000	(5,481)	(953,256)	29,041,263	-	29,041,263
Balance at January 1, 2023	30,000,000	(6,457)	(2,568,204)	27,425,339	260	27,425,599
Profit for the period	-	-	211,123	211,123	77	211,200
Other comprehensive income for the period	-	240	-	240	-	240
Total comprehensive income for the period	-	240	211,123	211,363	77	211,440
Balance at March 31, 2023	30,000,000	(6,217)	(2,357,081)	27,636,702	337	27,637,039

The accompanying notes from (1) to (11) form an integral part of the interim condensed consolidated financial information.

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended March 31,	
		2024	2023
Cash flows from operating activities:			
Profit for the period before contribution to Zakat, National Labor Support Tax (NLST) and Kuwait Foundation for the Advancement of Sciences (KFAS)		313,936	221,051
Adjustments:			
Depreciation and amortization		193,951	22,829
Provision for end of service indemnity		13,244	3,571
Finance charges		24,297	702
Income from Wakala investment and short term bank deposits		(2,545)	(309,253)
Net investments income	7	<u>(374,361)</u>	-
		168,522	(61,100)
Change in operating assets and liabilities:			
Inventories		8,486	24,842
Accounts receivable and other debit balances		(207,889)	(74,341)
Accounts payable and other credit balances		91,736	16,433
Cash flows generated from (used in) in operating activities		60,855	(94,166)
Paid for end of service indemnity		(352)	-
Net cash flows generated from (used in) operating activities		<u>60,503</u>	<u>(94,166)</u>
Cash flows from investing activities:			
Paid for purchase of property, plant and equipment		(64,148)	(3,046)
Purchase of financial assets at fair value through profit or loss	4	(6,001,130)	-
Proceeds from sale of financial assets at fair value through profit or loss		4,648,265	-
Net movement on Wakala investments		900,000	-
Income received from Wakala investment and term deposits		41,236	288,473
Net cash flows (used in) generated from investing activities		<u>(475,777)</u>	<u>285,427</u>
Cash flows from financing activities:			
Paid for lease liabilities		(178,669)	-
Net cash flow used in financing activities		<u>(178,669)</u>	-
Net (decrease) increase in cash and cash equivalents		(593,943)	191,261
Cash and cash equivalents at beginning of the period		814,758	24,875,916
Cash and cash equivalents at end of the period	5	<u>220,815</u>	<u>25,067,177</u>

The accompanying notes from (1) to (11) form an integral part of the interim condensed consolidated financial information.

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

MARCH 31, 2024

(All amounts are in Kuwaiti Dinars)

1- Parent Company's incorporation and objectives

National Consumer Holding Company – K.S.C. (Public) “the Parent Company” (formerly known as the National Company for Consumer Industries) is a Kuwaiti shareholding company (Public) registered in the State of Kuwait. The Company was incorporated pursuant to Amiri decree issued on March 5, 1996 and Article of Association of a Kuwaiti Shareholding Company (Closed), authenticated at Ministry of Justice – Real Estate Authentication and Registration Department – State of Kuwait, under Ref. No.1025 / Vol.1 dated March 5, 1996, and its subsequent amendments, the latest of which was notarized in the commercial registry under No. 71953 dated August 10, 2022.

The Parent Company is listed on the Kuwait Stock Exchange.

The parent company's purposes are as follows:

- Owning Shares of Kuwaiti and foreign Shareholding Companies, as well as shares and stakes of Kuwaiti and foreign Limited Liability Companies and participating in incorporating, managing, lending and guaranteeing both types of companies for others.
- Lending companies in which it owns shares given that percentage of the holding company participation in the borrowing company's capital should not be less than 20%.
- Owning industrial property rights such as patents, industrial trademarks, industrial fees and other related rights and leasing those rights to other companies for use inside or outside State of Kuwait.
- Owning movables and real estate is necessary for conducting its operations.
- Utilizing the Parent Company's excess funds through investing in financial portfolios managed by specialized companies and parties.
- Investing funds through trading in shares, bonds, and other financial securities.

The Parent Company is registered in the commercial register under Ref. No. 71953 dated December 21, 1997.

The Parent Company's registered address is P.O. Box 3767, Safat, postal code 13038, State of Kuwait.

The interim condensed consolidated financial information was authorized for issue by the Parent Company's Board of Directors on May 14, 2024.

2- Basis of preparation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2023.

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective. Several other amendments and interpretations apply for the first time in January 1, 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the group's annual consolidated financial statements for the year ended December 31, 2023. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim consolidated financial information. Operating results for the period ended March 31, 2024, are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2024. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended December 31, 2023.

3- Related party disclosures

The Group has entered into various transactions with related parties, i.e. shareholders, key management personnel, and other related parties. Prices and terms of payment are approved by the Parent Company management. Significant related parties' transactions and balances are as follows:

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2024

(All amounts are in Kuwaiti Dinars)

Transactions included in the interim condensed consolidated statement of profit or loss:

	Nature	Three months ended March 31,	
		2024	2023
General and administrative expenses	Board of Directors	<u>4,200</u>	<u>3,100</u>

Key management compensations

	Three months ended March 31,	
	2024	2023
Short-term benefits	<u>27,876</u>	26,468
End of service benefits	<u>1,330</u>	1,261
	<u>29,206</u>	<u>27,729</u>

4- **Financial assets at fair value through profit or loss**

	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023
Quoted shares	<u>6,122,558</u>	1,911,928	-
Money market fund	<u>6,737,184</u>	9,346,056	-
Investment portfolio	<u>6,672,108</u>	6,546,640	-
Unquoted shares	<u>995,460</u>	995,460	1,362,344
	<u>20,527,310</u>	<u>18,800,084</u>	<u>1,362,344</u>

The movement during the period in the balance of financial assets at fair value through profit or loss was as follows:

	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023
Balance at the beginning of the period / year	<u>18,800,084</u>	1,362,344	1,362,344
Additions	<u>6,001,130</u>	17,963,961	-
Disposals	<u>(4,650,006)</u>	(873,709)	-
Unrealized gain on changes in the fair value of financial assets at fair value through profit or loss	<u>376,102</u>	347,488	-
Balance at the end of the period / year	<u>20,527,310</u>	<u>18,800,084</u>	<u>1,362,344</u>

5- **Cash and cash equivalents**

	March 31, 2024	December 31, 2023 (Audited)	March 31, 2023
Cash on hand and at banks	<u>220,815</u>	624,366	100,918
Cash with financial institutions – managed in a portfolio	-	190,392	16,259
Wakala investment and short term bank deposits	-	-	24,950,000
	<u>220,815</u>	<u>814,758</u>	<u>25,067,177</u>

6- **Lease liabilities**

Lease liabilities represented in leasehold lands, the average lifetime of lease is 10 years and the average effective borrowing rate is 5%.

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

MARCH 31, 2024

(All amounts are in Kuwaiti Dinars)

7- Operating revenue

The group's revenues are classified as follows:

<u>By type of activity</u>	March 31, 2024			
	Sales	Services	Investment	Total
Games revenue	10,791	415,220	-	426,011
Sales of carton	168,215	-	-	168,215
Investment income	-	-	374,361	374,361
	179,006	415,220	374,361	968,587

<u>By type of activity</u>	March 31, 2023			
	Sales	Services	Investment	Total
Sales of carton	253,292	-	-	253,292
	253,292	-	-	253,292

8- Basic and diluted earnings per share attributable to Parent Company's shareholders

There are no potential dilutive ordinary shares. The information necessary to calculate basic earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended March 31	
	2024	2023
Profit for the period attributable to Parent Company's Shareholders	302,484	211,123
Weighted average number of shares outstanding	300,000,000	300,000,000
Basic and diluted earnings per share attributable to shareholders of the Parent Company	1.008	0.704

9- Segment information

The Group has allocated its assets among the following reportable geographic segments based on geographic location of customers and segment assets:

- State of Kuwait.
- Gulf Cooperation Council (GCC).

	State of Kuwait		Gulf Cooperation Council (GCC)		Total	
	Three months ended March 31		Three months ended March 31		Three months ended March 31	
	2024	2023	2024	2023	2024	2023
Revenues	831,779	313,809	176,515	264,828	1,008,294	578,637
Expenses	(509,902)	(107,162)	(195,908)	(260,275)	(705,810)	(367,437)
Profit (loss)	321,877	206,647	(19,393)	4,553	302,484	211,200
Total assets	30,549,274	26,626,326	1,219,805	1,555,244	31,769,079	28,181,570
Total liabilities	(2,453,769)	(71,423)	(274,047)	(473,108)	(2,727,816)	(544,531)
Net assets	28,095,505	26,554,903	945,758	1,082,136	29,041,263	27,637,039

10- General assembly

The parent company Shareholders' Ordinary General Assembly held on May 9, 2024 had approved the consolidated financial statements for the year ended December 31, 2023 and not to distribute cash dividends or bonus shares or remuneration to Board of directors of the parent company for the year ended December 31, 2023.

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2024

(All amounts are in Kuwaiti Dinars)

The parent company Shareholders' Ordinary General Assembly held on May 10, 2023 had approved the consolidated financial statements for the year ended December 31, 2022 and not to distribute cash dividends or bonus shares or remuneration to Board of directors of the parent company for the year ended December 31, 2022.

11- Fair value measurement

The Group measures financial assets such as financial assets at FVPL at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

- The following table presents the Group's assets that are measured at fair value:

	March 31, 2024			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss	<u>6,122,558</u>	<u>13,409,292</u>	<u>995,460</u>	<u>20,527,310</u>
	December 31, 2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss	<u>1,911,928</u>	<u>15,892,696</u>	<u>995,460</u>	<u>18,800,084</u>
	March 31, 2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>1,362,344</u>	<u>1,362,344</u>

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