

**National International Holding Company K.S.C.P.
And its subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
And Review Report
For the nine months period ended 30 September 2022
(Unaudited)**

National International Holding Company K.S.C.P.
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National International Holding Company K.S.C.P.

State of Kuwait

Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National International Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2022, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". 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 International Accounting Standard No. (34) "Interim Financial Reporting".

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 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, the executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine months period ended 30 September 2022 that might have had a material effect on the business of the Group or on its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations, as amended, during the nine-month period ended 30 September 2022, that might have had a material effect on the business of the Group or on its consolidated financial position.



Talal Y. Al-Muzaini

Licence No. 209 A

Deloitte & Touche, Al-Wazzan & Co.

Kuwait, 31 October 2022

Interim Condensed Consolidated Statement of Financial Position as at 30 September 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Notes	30 September 2022	31 December 2021 (Audited)	30 September 2021
Assets				
Cash and cash equivalents	4	1,388,630	1,529,660	3,724,228
Accounts receivable and other assets	5	3,012,612	2,488,044	2,446,562
Inventories		814,468	617,060	723,278
Investments at fair value through profit or loss	6	4,278,327	5,196,535	3,257,266
Investments at fair value through OCI	7	15,153,231	17,445,254	13,130,103
Investments in debt instruments at amortized cost	8	9,707,553	9,292,453	9,158,069
Investment in associates	9	13,142,602	13,639,644	12,980,478
Investment properties	10	254,469	953,788	1,282,442
Property and equipment		4,622,844	4,708,819	4,697,183
Total assets		52,374,736	55,871,257	51,399,609
Liabilities and equity				
Liabilities				
Bank facilities	11	3,335,533	2,708,533	2,833,339
Accounts payable and other liabilities	12	5,291,248	5,951,720	5,808,069
Total liabilities		8,626,781	8,660,253	8,641,408
Equity				
Share capital	13	23,455,302	22,772,138	22,772,138
Share premium		2,813,184	2,813,184	2,813,184
Statutory reserve		1,322,233	1,322,233	1,136,639
Fair value reserve		9,137,615	11,253,231	10,579,446
Treasury shares	14	(1,883,305)	(1,539,404)	(1,870,748)
Treasury shares reserve		715,022	490,638	315,569
Group's share in associates' reserves		(478,405)	(328,110)	(4,697)
Retained earnings		1,078,753	2,002,419	1,508,241
Equity attributable to the shareholders of the Parent Company		36,160,399	38,786,329	37,249,772
Non-controlling interests		7,587,556	8,424,675	5,508,429
Total equity		43,747,955	47,211,004	42,758,201
Total liabilities and equity		52,374,736	55,871,257	51,399,609

The accompanying notes form an integral part of this interim condensed consolidated financial information.


Abdul Wahab Mohamed Al-Wazzan
Chairman


Mamdouh Abdul Ghani El Sherbiny
Chief Executive Officer

National International Holding Company K.S.C.P.

And its subsidiaries

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**Interim Condensed Consolidated Statement of Income for the nine months ended 30 September 2022
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	Three months ended		Nine months ended	
		30 September		30 September	
		2022	2021	2022	2021
Revenues					
Net investment (loss) / income	15	(193,215)	613,779	602,708	697,788
Group share of results from associates		43,836	600,939	735,678	654,136
Profit from operating activities		1,067,265	560,081	2,696,611	2,228,791
Net income / (loss) from investment properties	10	2,091	(4,447)	(23,358)	(28,481)
Other income		3,945	8,198	19,981	158,759
		<u>923,922</u>	<u>1,778,550</u>	<u>4,031,620</u>	<u>3,710,993</u>
Expenses					
Cost of sales from operating activities		831,422	380,380	2,068,957	1,495,003
Other expenses		333,028	310,558	1,063,965	916,471
Finance costs		40,947	37,098	113,990	110,217
		<u>1,205,397</u>	<u>728,036</u>	<u>3,246,912</u>	<u>2,521,691</u>
(Loss) / profit for the period before deductions					
		(281,475)	1,050,514	784,708	1,189,302
Contribution to KFAS		2,064	(5,108)	-	(5,108)
National Labour Support Tax		5,003	(25,587)	(133)	(28,792)
Zakat		1,150	(3,490)	-	(3,932)
Net (loss) / profit for the period		<u>(273,258)</u>	<u>1,016,329</u>	<u>784,575</u>	<u>1,151,470</u>
Attributable to:					
Shareholders of the Parent Company		(269,284)	1,040,067	829,011	1,114,169
Non-controlling interests		(3,974)	(23,738)	(44,436)	37,301
		<u>(273,258)</u>	<u>1,016,329</u>	<u>784,575</u>	<u>1,151,470</u>
Basic and diluted (loss) / earnings per share (fils)	16	<u>(1.31)</u>	<u>4.79</u>	<u>3.76</u>	<u>5.14</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

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Interim Condensed Consolidated Statement of Comprehensive Income for the nine months ended 30 September 2022**(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Three months ended		Nine months ended	
	30 September		30 September	
	2022	2021	2022	2021
Net (loss) / profit for the period	<u>(273,258)</u>	<u>1,016,329</u>	<u>784,575</u>	<u>1,151,470</u>
Other comprehensive (loss) / income items:				
<i><u>Items that are or may be reclassified subsequently to the interim condensed consolidated statement of income:</u></i>				
Group's share in associates' reserves	<u>(184,982)</u>	<u>28,801</u>	<u>(144,551)</u>	<u>(298,224)</u>
<i><u>Items that will not be reclassified subsequently to interim condensed consolidated statement of income:</u></i>				
Change in fair value of equity investments at fair value through other comprehensive income	<u>(1,825,600)</u>	<u>(211,744)</u>	<u>(2,908,299)</u>	<u>(881,380)</u>
Group's share in associates' reserves	<u>(9,447)</u>	<u>138,509</u>	<u>(5,744)</u>	<u>133,917</u>
	<u>(1,835,047)</u>	<u>(73,235)</u>	<u>(2,914,043)</u>	<u>(747,463)</u>
Total other comprehensive loss items	<u>(2,020,029)</u>	<u>(44,434)</u>	<u>(3,058,594)</u>	<u>(1,045,687)</u>
Total comprehensive (loss)/ income for the period	<u>(2,293,287)</u>	<u>971,895</u>	<u>(2,274,019)</u>	<u>105,783</u>
Attributable to:				
Shareholders of the Parent Company	<u>(1,889,192)</u>	<u>1,066,643</u>	<u>(1,436,900)</u>	<u>254,842</u>
Non-controlling interests	<u>(404,095)</u>	<u>(94,748)</u>	<u>(837,119)</u>	<u>(149,059)</u>
	<u>(2,293,287)</u>	<u>971,895</u>	<u>(2,274,019)</u>	<u>105,783</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Equity attributable to the shareholders of the Parent Company										Non- controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Fair value reserve	Treasury shares	Treasury shares reserve	Group's share in associates' reserves	Retained earnings	Total			
Balance as at 1 January 2021	22,772,138	2,813,184	1,136,639	11,265,894	(1,906,792)	318,561	159,610	402,644	36,961,878	5,657,488	42,619,366	
Net profit for the period	-	-	-	-	-	-	-	1,114,169	1,114,169	37,301	1,151,470	
Other comprehensive loss items	-	-	-	(695,020)	-	-	(164,307)	-	(859,327)	(186,360)	(1,045,687)	
Sale of financial assets at FVTOCI	-	-	-	8,572	-	-	-	(8,572)	-	-	-	
Sale of treasury shares	-	-	-	-	36,044	(2,992)	-	-	33,052	-	33,052	
Balance as at 30 September 2021	22,772,138	2,813,184	1,136,639	10,579,446	(1,870,748)	315,569	(4,697)	1,508,241	37,249,772	5,508,429	42,758,201	
Balance as at 1 January 2022	22,772,138	2,813,184	1,322,233	11,253,231	(1,539,404)	490,638	(328,110)	2,002,419	38,786,329	8,424,675	47,211,004	
Net profit for the period	-	-	-	-	-	-	-	829,011	829,011	(44,436)	784,575	
Other comprehensive loss items	-	-	-	(2,115,616)	-	-	(150,295)	-	(2,265,911)	(792,683)	(3,058,594)	
Purchase of treasury shares	-	-	-	-	(1,586,823)	-	-	-	(1,586,823)	-	(1,586,823)	
Sale of treasury shares	-	-	-	-	1,242,922	224,384	-	-	1,467,306	-	1,467,306	
Cash dividends (Note 19)	-	-	-	-	-	-	-	(1,069,513)	(1,069,513)	-	(1,069,513)	
Bonus shares (Note 13)	683,164	-	-	-	-	-	-	(683,164)	-	-	-	
Balance as at 30 September 2022	23,455,302	2,813,184	1,322,233	9,137,615	(1,883,305)	715,022	(478,405)	1,078,753	36,160,399	7,587,556	43,747,955	

The accompanying notes form an integral part of this interim condensed consolidated financial information.

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**Interim Condensed Consolidated Statement of Cash Flows for the nine months ended 30 September 2022
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Note	Nine months ended 30 September	
		2022	2021
Cash flow from operating activities			
Net profit for the period		784,575	1,151,470
<i>Adjustments:</i>			
Net investment income		(602,708)	(697,788)
Share of results from associates		(735,678)	(654,136)
Depreciation and amortization		154,566	149,902
Net loss from investment properties		23,358	28,481
Reversal of credit losses provision		-	(78,000)
Finance costs		113,990	110,217
Provision for employees' end of service benefits		113,729	100,300
Operating (losses) / profits before changes in working capital		(148,168)	110,446
Accounts receivable and other assets		(524,569)	1,170,088
Investments at fair value through profit or loss		797,640	(453,082)
Inventories		(197,408)	(74,643)
Accounts payable and other liabilities		(814,301)	2,578,875
Employees' end of service benefits - paid		(17,296)	(26,097)
Net cash (used in) / generated from operating activities		(904,102)	3,305,587
Cash flow from investing activities			
Cash dividends received		1,390,602	-
Purchase of investments at FVTOCI		(616,276)	-
Proceeds from sale of investment at FVTOCI		-	2,207
Proceeds from sale of investment properties		675,961	288,985
Purchase of property and equipment		(68,591)	(202,968)
Net cash generated from investing activities		1,381,696	88,224
Cash flow from financing activities			
Net changes in bank facilities		627,000	130,981
Finance costs paid		(113,990)	(109,191)
Cash dividends paid		(1,012,117)	(328,376)
Purchase of treasury shares		(1,586,823)	-
Proceeds from sale of treasury shares		1,467,306	33,052
Net cash used in financing activities		(618,624)	(273,534)
Net change in cash and cash equivalents		(141,030)	3,120,277
Cash and cash equivalents at the beginning of the period		1,529,660	603,951
Cash and cash equivalents at the end of the period	4	1,388,630	3,724,228

The accompanying notes form an integral part of this interim condensed consolidated financial information.

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Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2022 (Unaudited)*(All amounts are in Kuwaiti Dinar unless otherwise stated)***1. Incorporation and activities**

The Parent Company is a Kuwaiti Public Shareholding Company registered and incorporated in Kuwait on 14 January 1979 whose shares are listed on the Kuwait Stock Exchange and the Dubai Financial Market. The Parent Company is engaged in investing activities in both local and international markets as set forth in Article No. 5 of the Parent Company's Articles of Association. The Parent Company is regulated by the Capital Market Authority ("CMA").

The registered office of the Parent Company is located at Al –Raya Tower 2, Floor 45, Abdulaziz Al-Saqer Street, P.O. Box 25825 Safat Kuwait.

The interim condensed consolidated financial information includes the financial statements of the Parent Company and its subsidiaries, together referred to as "the Group" as follows:

Company Name	Country of incorporation	Principal activity	Equity interest (%)		
			30 September 2022	31 December 2021 (Audited)	30 September 2021
Al Ola National Real Estate Company <i>sole proprietorship</i>	Kuwait	Real estate activities	100	100	100
Al Ghad Project Management Company <i>sole proprietorship</i>	Kuwait	Real estate projects management	100	100	100
Al Ghad International General Trading W.L.L.	Kuwait	General Trading	100	100	100
Asoul Sukuk Musharaka for General Trading W.L.L.	Kuwait	General Trading	100	100	100
Smart Wood for General Trading Company W.L.L.	Kuwait	General Trading	54.8	54.8	76
Al Ahlia Chemicals Company K.S.C.C. (Note 11)	Kuwait	Manufacturing	62.6	62.6	62.6

The Group has pledged 48.46% of the share of Al Ahlia Chemicals Company against credit facilities granted by a local bank.

This interim condensed consolidated financial information was approved for issuance by the Board of Directors in the meeting held on 31 October 2022.

2. Basis of preparation and significant accounting policies**2.1 Basis of preparation**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 30 September 2022 are not necessarily indicative of results that may be expected for the year ending 31 December 2022. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2021.

2.2 Significant accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the amendments revised IFRS which are effective for annual reporting period starting from 1 January 2022 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

The Group has not applied any standards, interpretations or amendments that have been issued but not yet effective.

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**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2022
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no material impact on the interim condensed consolidated financial information of the Group as there were no significant modifications of the Group’s financial instruments during the period.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2022 did not have any material impact on the accounting policies, financial position or performance of the Group.

3. Fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical financial instruments.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

Fair value of the Group’s financial assets that are measured at fair value on a recurring basis, the table below gives information about how the fair values of the financial assets are determined:

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30/9/2022	31/12/2021	30/9/2021				
<u>Investments at fair value through profit or loss</u>							
Quoted shares- local	1,336,096	2,432,248	544,036	1	Bid prices	-	-
Quoted shares- foreign	177,944	-	-	1	Bid prices	-	-
Unquoted shares	2,764,287	2,764,287	2,713,230	3	i) Peer market price to book value of similar companies in the same industry ii) Discounted future cash flows	i) Peer market price to book value factor and discount for lack of market availability ii) Discount rate and growth rate	i) Changes in market multiple and discount rate will result change in fair values ii) The higher the discount rate, the lower the fair value
<u>Investments at fair value through OCI</u>							
Local and foreign equity securities – Unquoted	15,153,231	17,445,254	13,130,103	3	i) Peer market price to book value of similar companies in the same industry ii) Discounted future cash flows	i) Peer market price to book value factor and discount for lack of market availability ii) Discount rate and growth rate	i) Changes in market multiple and discount rate will result change in fair values ii) The higher the discount rate, the lower the fair value

The following table shows a reconciliation of the opening and closing amount of level 3:

	Unquoted investments		
	30 September 2022	31 December 2021 (Audited)	30 September 2021
Balance as at beginning period/ year	20,209,541	16,726,920	16,726,920
Additions	616,276	405,154	-
Change in fair value during the period/ year	(2,908,299)	3,077,467	(881,380)
Net disposal	-	-	(2,207)
Balance as at ending period/ year	17,917,518	20,209,541	15,843,333

The fair values of financial assets and financial liabilities that are not measured at fair value on a recurring basis approximately equals their carrying values as on the date of the interim condensed consolidated financial information.

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**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2022
(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)***4. Cash and cash equivalents**

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Cash at banks and financial institutions	1,306,240	1,429,428	3,148,761
Cash at clearing company	82,174	100,115	574,708
Cash on hand	216	117	759
	<u>1,388,630</u>	<u>1,529,660</u>	<u>3,724,228</u>

5. Accounts receivable and other assets

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Trade receivables	2,061,251	1,742,210	1,847,608
Due from selling of investment properties (*)	600,000	600,000	600,000
Advanced paid to acquire an investment (**)	250,000	150,000	50,000
Other receivables	353,806	248,279	279,399
	<u>3,265,057</u>	<u>2,740,489</u>	<u>2,777,007</u>
Expected credit losses	(252,445)	(252,445)	(330,445)
	<u>3,012,612</u>	<u>2,488,044</u>	<u>2,446,562</u>

- (*) The remaining amount due from selling of investment properties was rescheduled to 31 December 2022.
- (**) During the previous year, the Group's management has signed acquisition contract of 26% ownership in a Kuwaiti company with a value amount to KD 300,000 out of which KD 250,000 was paid.

6. Investments at fair value through profit or loss

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Quoted shares	1,514,040	2,432,248	544,036
Unquoted shares	2,764,287	2,764,287	2,713,230
	<u>4,278,327</u>	<u>5,196,535</u>	<u>3,257,266</u>

- Fair value hierarchy disclosures for investments are provided in Note 3.
- Investments at fair value through profit or loss include securities with fair value of KD 2,763,906 as at 30 September 2022 (KD 2,764,287 - 31 December 2021, KD 2,713,230 - 30 September 2021) pledged as collateral against credit facilities granted by a local bank (Note 11).

7. Investments at fair value through OCI

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Unquoted Foreign equity securities	11,324,982	13,106,610	12,002,087
Unquoted local equity securities	3,828,249	4,338,644	1,128,016
	<u>15,153,231</u>	<u>17,445,254</u>	<u>13,130,103</u>

- Fair value hierarchy disclosures for investments are provided in Note 3.

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Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2022 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

8. Investments in debt instruments at amortized cost

- During 2018, the Group acquired credit impaired debt instruments (sukuk) for contractual amount of KD 10.5M.
- The Group's management expects to obtain future cash flows during 2022 amounted by KD 9,850,000. The present value of expected cash flows of the acquired debt instruments is estimated based on discount rate of 6%.
- Interest income amounted KD 415,100 has been recorded during the current period (607,413-30 September 2021).

9. Investment in associates

Company's name	Country of incorporation	Ownership percentage (%)	30 September 2022	31 December 2021 (Audited)	30 September 2021
Coast Development and Investment Company	Kuwait	31.65	5,965,818	6,695,785	6,115,940
Specialties Group Holding Company	Kuwait	31.54	7,176,784	6,943,859	6,864,538
			<u>13,142,602</u>	<u>13,639,644</u>	<u>12,980,478</u>

The movement over investment in associates summarized as below:

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Opening balance	13,639,644	12,490,649	12,490,649
Group share of results from associates	735,678	1,636,715	654,136
Share of other comprehensive income / (losses)	(150,295)	(487,720)	(164,307)
Cash dividends	(1,082,425)	-	-
	<u>13,142,602</u>	<u>13,639,644</u>	<u>12,980,478</u>

- Investment above are accounted for using equity method in this interim condensed consolidated financial information.
- The Group's share in the results and other comprehensive losses of the associates is calculated based on the most recent available reviewed financial information for the six months period ended 30 June 2022 for Coast Development and Investment Company and reviewed financial information for Specialties Group Holding Company for the nine months period ended 30 September 2022.
- The fair value based on quoted price (level 1) for the investment in associates as below:

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Coast Development and Investment Company	11,481,005	15,308,007	21,830,000
Specialties Group Holding Company	4,282,740	6,187,500	7,029,000

- The Group stake of 98% of its owned shares of Specialties Group Holding Company are pledged against credit facilities granted by a local bank (Note 11).

10. Investment properties

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Opening balance	953,788	1,599,908	1,599,908
Disposals	(699,319)	(645,085)	(317,466)
Change in fair value	-	(1,035)	-
	<u>254,469</u>	<u>953,788</u>	<u>1,282,442</u>

- During the current period, the Group disposed investment properties which resulted loss on sale amounted to KD 23,358 in the interim condensed consolidated statement of income.

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	30 September 2022	31 December 2021 (Audited)	30 September 2021
Bank overdraft	747,711	651,828	734,634
Wakala and murabaha payable	2,587,822	2,056,705	2,098,705
	<u>3,335,533</u>	<u>2,708,533</u>	<u>2,833,339</u>

- The average interest rate on wakala and murabaha payable is 3.5% - 4.5% as of 30 September 2022 - 31 December & 30 September 2021.

- The bank facilities are granted to the Group against the following assets:

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Investments in an associate (Note 9)	7,033,247	6,804,982	6,750,129
Investments at fair value through profit or loss (Note 6)	2,763,906	2,764,287	2,713,198
Property and equipment	4,229,894	4,259,728	4,005,000
	<u>14,027,047</u>	<u>13,828,997</u>	<u>13,468,327</u>

- In addition to that, the Group has pledged 48.46% of the shares of Al Ahlia Chemical Company "the Subsidiary" of the Group (Note 1).

12. Accounts payable and other liabilities

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Trade payables	687,422	808,711	3,623,662
Employees' end of service benefits	967,986	871,553	841,225
Accrued expenses	415,612	684,657	477,904
Dividends payables	265,825	208,429	258,003
Lease liability	208,575	236,672	243,318
Due to a margin trading broker	48,644	-	-
Advances received	21,192	26,361	23,594
Other liabilities	2,675,992	3,115,337	340,363
	<u>5,291,248</u>	<u>5,951,720</u>	<u>5,808,069</u>

- Investments at fair value through profit or loss include securities with fair value of KD 177,944 as at 30 September 2022 pledged as collateral against the amount due to a margin trading broker.

13. Share capital

On 30 May 2022, the Parent Company's General Assembly approved distributing bonus shares dividends of 3% for the year ended 31 December 2021. the number of issued and fully paid-up shares were increased by bonus shares amounting to KD 683,164 (6,831,641 shares). On 3 July 2022, the increase of share capital by issuing bonus shares was registered in the Commercial Register.

The authorized, issued and full paid up share capital becomes KD 23,455,302 distributed over 234,553,016 shares as of 30 September 2022 (KD 22,772,138 distributed over 227,721,375 shares as of 31 December 2021 and 30 September 2021), with a nominal value of 100 fils per share, and all shares are paid in cash.

14. Treasury shares

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Number of shares	15,016,815	13,818,717	17,090,717
Percentage of issued shares (%)	6.4	6	7.5
Market value (KD)	1,651,850	2,086,626	2,580,698

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The Parent Company is required to retain reserves and retained earnings equivalent to the cost of treasury shares value throughout the period in which they are held by the Parent Company in accordance with the instructions of the relevant regulatory authorities, these shares are not pledged.

During current period the group signed a liquidity agreement on liquidity provision with a market maker (liquidity provider), the Liquidity provider's role is the provision of liquidity for the issuer's securities listed in Kuwait Boursa. During previous year the Group signed a liquidity agreement on liquidity provision with a market maker (Liquidity Provider), the Liquidity provider's role is the provision of liquidity for the issuer's securities listed in Dubai Financial Market.

15. Net Investment (loss) / income

	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
<i>Investments at fair value through profit or loss</i>				
Dividends income	-	-	308,176	84,009
Change in fair value	(197,065)	6,366	(280,807)	6,366
Realized gain from selling investments	(136,537)	-	160,239	-
	<u>(333,602)</u>	<u>6,366</u>	<u>187,608</u>	<u>90,375</u>
<i>Investments in debt instruments at amortized cost</i>				
Interest income	140,387	607,413	415,100	607,413
	<u>(193,215)</u>	<u>613,779</u>	<u>602,708</u>	<u>697,788</u>

16. Basic and diluted (loss) / earnings per share

Basic (loss) / earnings per share are calculated by dividing the (loss) / profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). Diluted (loss) / earnings per share is calculated by dividing the (loss) / profit for the period 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 the conversion of all the dilutive potential ordinary shares into ordinary shares. As at 30 September, the Parent Company has no outstanding dilutive potential ordinary shares.

The information necessary to calculate basic and diluted (loss) / earnings per share for the nine months period ended 30 September is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
Net (loss) / profit for the period	(269,284)	1,040,067	829,011	1,114,169
Weighted average number of outstanding ordinary shares (share)	206,145,024	217,047,588	220,575,824	216,845,914
(Loss) / Earnings per share (fils)	<u>(1.31)</u>	<u>4.79</u>	<u>3.76</u>	<u>5.14</u>

Basic and diluted shares earnings per shares for comparative periods has been adjusted to reflect the effect of bonus shares for 2021 (Note 19).

17. Related party transactions

These represent transactions with related parties that include major shareholders, directors, executive officers and key management personnel of the Group, close members of their families and companies of which they are principal owners or over which they are able to exercise control or significant influence entered into by the Group in the ordinary course of business. The Parent Company's management approves pricing policies and terms of these transactions.

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Balances and transactions included in the interim condensed consolidated financial information are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
Key management compensation:				
Salaries and other short term benefits	65,510	58,325	196,070	164,775
Employees' end of service benefits	14,020	14,018	42,058	42,011
Board committee remuneration	1,400	-	4,800	2,400
	<u>80,930</u>	<u>72,343</u>	<u>242,928</u>	<u>209,186</u>

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Balances a raising from such transactions			
Accrued expenses	-	94,022	-
Employees' end of service benefits	400,660	358,602	344,583
Board committee remuneration	-	50,000	-

18. Segment information

The Group is organized into business units based on their products and services, and has three reportable operating segments as follows:

- Financial investing activities comprise participation in financial and real estate funds and managing the Group's liquidity requirements;
- Real estate investing activities comprise investing and trading in real estate and construction or development of real estate for the purpose of sale in the ordinary course of business and other related real estate services; and
- Industrial activities comprise manufacturing and selling of chemical products.

The segment reporting information is as follows:

	Period ended 30 September 2022				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments revenues	2,696,611	(23,358)	1,338,386	19,981	4,031,620
Segments expenses	(2,518,179)	-	(728,866)	-	(3,247,045)
Total segments' results	178,432	(23,358)	609,520	19,981	784,575
Segments assets	9,838,554	254,469	42,281,713	-	52,374,736
Segment liabilities	3,335,533	-	5,291,248	-	8,626,781

	Year ended 31 December 2021				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments assets	9,343,583	953,788	45,573,886	-	55,871,257
Segment liabilities	2,708,533	-	5,951,720	-	8,660,253

	Period ended 30 September 2021				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments revenues	2,228,791	(28,481)	1,351,924	158,759	3,710,993
Segments expenses	(2,019,384)	-	(540,139)	-	(2,559,523)
Total segments' results	209,407	(28,481)	811,785	158,759	1,151,470
Segments assets	8,362,791	1,282,442	41,754,376	-	51,399,609
Segment liabilities	2,537,748	-	6,103,660	-	8,641,408

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(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)***19. Dividends**

On 30 May 2022, the General Assembly of shareholders of the Parent Company approved the consolidated financial statements for the year ended 31 December 2021 and approved the Board of Directors' proposal of distributing cash dividends of 5% (5 fils per share), bonus shares dividends of 3% for the year ended 31 December 2021 and Board of Directors' remuneration of KD 50,000 for the same year.

20. Commitments and contingent liabilities

	30 September 2022	31 December 2021 (Audited)	30 September 2021
Letters of guarantee	291,317	293,317	291,317
Letters of credit and acceptance	671,405	150,837	342,003
	<u>962,722</u>	<u>444,154</u>	<u>633,320</u>

21. Legal cases

During the previous years, Court of First Instance issued its judgement to annul the acquisition contract "The Contract" relating to a subsidiary owned by 62.6% as at 31 December 2021, and nullify the share capital increase made during 2016. Also, this judgement nullified the call for holding the extraordinary general assembly meeting for the same Company during 2019 and all relevant resolutions concerning the share capital increase.

Subsequently, Court of Appeal issued its judgment to nullify Court of First Instance's judgment relating to the request of the Contract annulment and refer the case to the Plenary Court - Capital Markets Circuit. Also, the Court ruled to reject the request concerning nullification of "the share capital increase during 2016 and a call for holding the Company's extraordinary general assembly meeting during 2019". However, this judgment has been challenged by cassation and no hearing session is scheduled till present. During the previous year, another lawsuit was filed for nullifying the general assembly meeting held on 21 June 2021, known this appeal was suspended till disposition of the above-mentioned cassation.

The Plenary Court - Capital Markets Circuit issued an initial judgment to consider the lawsuit as null and void. However, this judgment has been challenged as Court of Appeal issued its judgment to remand the lawsuit to Court of First Instance. During the current year, Court of First Instance issued its judgment to reject the Plaintiff's request concerning annulment of the Contract.

Based on the attorney's opinion, the request for annulling the acquisition Contract is likely to have no impact since the Contract was not executed. Also, it is likely to uphold the judgment issued by Court of Appeal when challenged before Court of Cassation.

The net carrying amount of investment in the subsidiary is amounting to KD 4.5 million approximately as at the date of interim condensed consolidated financial information.

22. Impact of Covid-19

The future dynamics of the COVID-19 pandemic remain uncertain due to its evolving nature (new ongoing waves of infection, new restrictions, new variants, vaccination efficacy and rollouts). The full extent of the impact of the crisis in the region and related policy and support measures is still not fully known.

The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of IFRS, and incorporated the outcome in interim condensed consolidated financial information.

Further, management is aware that any further disruptions due to the emerging new covid variants could negatively impact the consolidated financial position, performance and cash flows of the Group in the future. Management continues to closely monitor the market trends, its industry reports and cash flows to minimize any negative impact on the Group.