

**OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited)
and review report for the three months period ended 31 March 2024**

OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait
Interim condensed consolidated financial information (Unaudited) and review report
For the three months period ended 31 March 2024

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Report on review of interim condensed consolidated financial information

The Board of Directors
OSOS Holding Group Company K.P.S.C.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of OSOS Holding Group Company K.P.S.C. ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 31 March 2024 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation disclosed in note no. (2). 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 the 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 the basis of preparation disclosed in note no. (2).

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting records of the Parent Company. We further report that nothing has come to our attention indicating any contravention during the three months period ended 31 March 2024, of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, or of the provisions of Law No. 7 of year 2010 concerning the Capital Markets Authority, Executive Regulations and its related regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that would materially affect the Group's activities or its consolidated financial position.

7 May 2024
Kuwait






Ali Mohammed Kouhari
Licence No.156-A
Member of PRIME GLOBAL

OSOS Holding Group Company K.P.S.C and its subsidiaries
State of Kuwait
Interim condensed consolidated statement of financial position (Unaudited)
As at 31 March 2024

	Notes	31 March 2024 KD	31 December 2023 (Audited) KD	31 March 2023 KD
Assets				
Non-current assets				
Property and equipment		17	17	17
Investment properties	4	12,131,000	12,131,000	11,124,000
Investment in associate		1	1	1
Financial assets at fair value through other comprehensive income	5	<u>376,348</u>	<u>376,348</u>	<u>400,872</u>
Total non-current assets		<u>12,507,366</u>	<u>12,507,366</u>	<u>11,524,890</u>
Current assets				
Debtors and other debit balances	6	54,003	52,242	45,865
Financial assets at fair value through profit or loss	8	1,250,998	3,514,918	3,931,729
Wakala investments deposits	9	-	124,000	-
Cash and cash equivalents	10	<u>3,661,412</u>	<u>1,247,587</u>	<u>1,581,757</u>
Total current assets		<u>4,966,413</u>	<u>4,938,747</u>	<u>5,559,351</u>
Total assets		<u>17,473,779</u>	<u>17,446,113</u>	<u>17,084,241</u>
Equity and liabilities				
Equity				
Share capital	11	10,500,000	10,500,000	10,500,000
Statutory reserve		1,365,588	1,365,588	1,243,931
Fair value reserve		20,268	20,268	44,792
Retained earnings		<u>1,282,720</u>	<u>1,149,775</u>	<u>629,848</u>
Total equity		<u>13,168,576</u>	<u>13,035,631</u>	<u>12,418,571</u>
Liabilities				
Non-current liabilities				
Lease contract with promise to purchase – non-current portion	12	949,325	976,300	1,057,225
Provision for end of service indemnity		<u>279,468</u>	<u>268,128</u>	<u>244,977</u>
Total non-current liabilities		<u>1,228,793</u>	<u>1,244,428</u>	<u>1,302,202</u>
Current liabilities				
Creditors and other credit balances		422,231	538,850	456,201
Lease contract with promise to purchase – current portion	12	134,875	107,900	134,875
Provisions	13	<u>2,519,304</u>	<u>2,519,304</u>	<u>2,772,392</u>
Total current liabilities		<u>3,076,410</u>	<u>3,166,054</u>	<u>3,363,468</u>
Total liabilities		<u>4,305,203</u>	<u>4,410,482</u>	<u>4,665,670</u>
Total equity and liabilities		<u>17,473,779</u>	<u>17,446,113</u>	<u>17,084,241</u>

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


Abdulmuhsen S. Al Meshan
Chairman


Fahad A. Al Mukhaizim
Vice Chairman


Khalid M. AlNouri
Chief Executive Officer



OSOS Holding Group Company K.P.S.C and its subsidiaries
State of Kuwait
Interim condensed consolidated statement of profit or loss (Unaudited)
For the three months period ended 31 March 2024

	Notes	For the three months period ended	
		31 March 2024 KD	31 March 2023 KD
Real estate rental income		112,000	112,090
Real estate operating expenses		<u>(19,605)</u>	<u>(26,608)</u>
Gross profit		92,395	85,482
Income / (loss) from investments	14	173,326	(320,892)
General and administrative expenses		(108,841)	(110,382)
(Provision for doubtful debts) / reversal of provision		(6,958)	2,587
Loss on foreign currency		(3,107)	(2,447)
Profit on wakala investments deposits		10,920	10,193
Other income		921	3,994
Finance cost from lease contract with promise to purchase		<u>(18,922)</u>	<u>(16,902)</u>
Profit / (loss) before contribution to KFAS, NLST and Zakat		139,734	(348,367)
Contribution to Kuwait Foundation for Advancement of Science ("KFAS")		(1,258)	-
National Labour Support Tax (NLST)		(3,951)	-
Zakat		<u>(1,580)</u>	<u>-</u>
Profit (Loss) for the period		<u>132,945</u>	<u>(348,367)</u>
Basic and diluted earnings / (loss) per share (Fils)	15	<u>1.27</u>	<u>(3.32)</u>

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

OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait
Interim condensed consolidated statement of comprehensive income (Unaudited)
For the three months period ended 31 March 2024

	For the three months period ended	
	31 March 2024 KD	31 March 2023 KD
Profit / (loss) for the period	<u>132,945</u>	<u>(348,367)</u>
Other comprehensive income for the period	<u>-</u>	<u>-</u>
Total profit / (loss) and other comprehensive income for the period	<u>132,945</u>	<u>(348,367)</u>

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

OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait
Interim condensed consolidated statement of changes in equity (Unaudited)
for the three months period ended 31 March 2024

	Share capital	Statutory reserve	Fair value reserve	Retained earnings	Total equity
	KD	KD	KD	KD	KD
Balance at 1 January 2024	10,500,000	1,365,588	20,268	1,149,775	13,035,631
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,945</u>	<u>132,945</u>
Balance at 31 March 2024	<u>10,500,000</u>	<u>1,365,588</u>	<u>20,268</u>	<u>1,282,720</u>	<u>13,168,576</u>
Balance at 1 January 2023	10,500,000	1,243,931	44,792	978,215	12,766,938
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(348,367)</u>	<u>(348,367)</u>
Balance at 31 March 2023	<u>10,500,000</u>	<u>1,243,931</u>	<u>44,792</u>	<u>629,848</u>	<u>12,418,571</u>

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

OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait
Interim condensed consolidated statement of cash flows (Unaudited)
For the three months period ended 31 March 2024

	Notes	For the three months period ended	
		31 March 2024 KD	31 March 2023 KD
Cash flows from operating activities			
Profit / (loss) for the period		132,945	(348,367)
Adjustments for:			
Unrealised (gain) / loss from financial assets at fair value through profit or loss	14	(87,843)	240,669
Realised (gain) / loss on sale of financial assets at fair value through profit or loss	14	(95,312)	65,377
Dividend income	14	(5,764)	(5,748)
Profit on wakala investments		(10,920)	(10,193)
Provision for doubtful debts / (reversal of provision)		6,958	(2,587)
Provision for indemnity		11,340	7,607
Finance cost from lease contract with promise to purchase		18,922	16,902
Operating loss before changes in working capital		(29,674)	(36,340)
Changes in working capital			
Debtors and other debit balances		(810)	14,755
Due from related parties		122	(1,050)
Creditors and other credit balances		(134,978)	(74,158)
Net cash used in operating activities		(165,340)	(96,793)
Cash flows from investing activities			
Net movement of financial assets at fair value through profit or loss		2,447,075	288,004
Wakala investments deposits		124,000	161,000
Profit on wakala investments deposits received		8,653	10,719
Net cash from investing activities		2,579,728	459,723
Cash flows from financing activities			
Dividends paid		(563)	(249)
Net cash used in financing activities		(563)	(249)
Increase in cash and cash equivalents		2,413,825	362,681
Cash and cash equivalents at beginning of the period		1,247,587	1,219,076
Cash and cash equivalent at the end of the period	10	3,661,412	1,581,757

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

OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait
Notes to the interim condensed consolidated financial information (Unaudited)
For the three months period ended 31 March 2024

1. Incorporation and activities

The International Valley for Computer Company K.S.C. (Closed) was incorporated as per articles of association of a Kuwaiti Shareholding Company (Closed) authenticated at the Ministry of Justice- Real Estate Registration and Authentication Department – under ref. No. 17/Volume 284 dated May 16, 1994. According to the decision taken by Ordinary and Extraordinary General Assembly meeting dated 23 May 2007, the company agreed to amend the name of the company to become: “Al-Safat TEC Holding Company – K.S.C. (Holding)” and this amendment was registered in the Commercial Register on 30 May 2007. As per decision made in extra-ordinary meeting held on 30 July 2015, it was agreed to amend company’s name to “OSOS Holding Group Company K.P.S.C.”, this amendment was registered in commercial register on 8 September 2015.

As per extra-ordinary general assembly meeting held on 25 October 2018, it was decided to amend the Company’s business objectives as detailed below. These amendments are recorded in the commercial register on 5 November 2018.

The purpose which the Company is incorporated is to conduct its activities in accordance with Islamic Sharia Laws and it is not permitted, in any form or shape, to conduct any of its activities below, directly or indirectly, in a way that contradicts with Islamic Sharia Laws.

1. Manage subsidiary companies or co-manage to those companies where there is equity interest and provide necessary support.
2. Invest funds in trading shares, bond and other financial instruments.
3. Finance or provide loan to those companies where the Parent Company has equity interest and guarantee against others. In this case, the Parent Company’s equity interest should not be less than 20% at minimum.
4. Owning property rights of patents, trade marks, commercial or industrial fees, or any other rights and using and leasing this to subsidiaries or other companies both inside and outside Kuwait.
5. Owning real estate or movables necessary to direct its activity in the limits and in accordance with the law.
6. Using the surplus funds available to the company in portfolio administered by the companies and specialized bodies.

In all cases, the Company is required to conduct all its activities in accordance with Islamic Sharia Law and the Company should stay away from activities that contradicts with Islamic Sharia Law. The Company can obtain guidance from Sharia Compliance Committee and their directive become obligatory on Company’s management.

The address of the Parent Company’s registered office is Hawalli, Beirut Street, Al Safat Tower, Floor 8, P.O. Box 16798 Qadisiya, 35858 Kuwait.

The interim condensed consolidated financial information for the period ended 31 March 2024, comprise of the Parent Company and its subsidiaries (together referred to as “the group”) (refer note 3).

The interim condensed consolidated financial information of OSOS Holding Group Company K.P.S.C. and its subsidiaries (“the Group”) for the period ended 31 March 2024 was authorized for issue by Board of Directors of the Parent Company on 7 May 2024.

2. Basis of preparation

The interim condensed consolidated financial information is prepared in accordance with IAS 34 “*Interim Financial Reporting*”. The interim condensed consolidated financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2023. In the opinion of the management all adjustments (consisting of recurring accruals) have been included in the interim condensed consolidated financial information.

The operating results for the three month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024.

The interim condensed consolidated financial information have been presented in Kuwaiti Dinars, which is the functional currency of the Group.

OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait
Notes to the interim condensed consolidated financial information (Unaudited)
For the three months period ended 31 March 2024

2. Basis of preparation (continued)

The accounting policies used in the preparation of the 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 2023. Certain amendments and interpretations apply for the first time on 1 January 2023, but do not have an impact on the interim condensed consolidated financial information of the Group.

New standards, interpretations and amendments adopted by the Group

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

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

These amendments had no material impact on Group's interim condensed consolidated financial information.

Amendments to IAS 16 Leases : Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

These amendments had no material impact on Group's interim condensed consolidated financial information.

Amendments to IAS 7 and IFRS 7 : Supplier Finance Arrangements

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

These amendments had no material impact on Group's interim condensed consolidated financial information.

3. Basis of consolidation

This interim condensed consolidated financial information for the three months ended 31 March 2024 includes the Parent Company and all its subsidiaries.

Details of principal operating subsidiaries are as follows:

<u>Name of subsidiary</u>	<u>Country of Incorporation</u>	<u>Percentage of ownership interest (%)</u>		
		31 March 2024	31 December 2023	31 March 2023
OSOS Limited Company for Sale and Purchase of Real Estate and Shares for the Benefit of the Company O.P.C.	State of Kuwait	100	100	100
OSOS United Real Estate Group Company K.S.C. (Closed)	State of Kuwait	99	99	99

OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait
Notes to the interim condensed consolidated financial information (Unaudited)
For the three months period ended 31 March 2024

4. Investment properties

Investment properties represent buildings on free hold land and buildings on leasehold land located in State of Kuwait. The details of investment properties are as follows:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Buildings on freehold land	9,289,000	9,289,000	8,370,000
Buildings on lease hold land	<u>2,842,000</u>	<u>2,842,000</u>	<u>2,754,000</u>
	<u>12,131,000</u>	<u>12,131,000</u>	<u>11,124,000</u>

The movement in investment property is as follows:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Beginning balances	12,131,000	11,124,000	11,124,000
Change in fair value	<u>-</u>	<u>1,007,000</u>	<u>-</u>
	<u>12,131,000</u>	<u>12,131,000</u>	<u>11,124,000</u>

Investment properties with a carrying value of KD 2,842,000 (31 December 2023: KD 2,842,000 and 31 March 2023: KD 2,754,000) are pledged against lease contract with promise to purchase (note 12).

5. Financial assets at fair value through other comprehensive income

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Foreign unquoted securities	301,536	301,536	286,615
Local unquoted securities	<u>74,812</u>	<u>74,812</u>	<u>114,257</u>
	<u>376,348</u>	<u>376,348</u>	<u>400,872</u>

The movement of financial assets at fair value through other comprehensive income for the period / year is as follows:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Balance at the beginning of the period / year	376,348	400,872	400,872
Change on fair value reserve	<u>-</u>	<u>(24,524)</u>	<u>-</u>
Balance at the end of the year	<u>376,348</u>	<u>376,348</u>	<u>400,872</u>

Financial assets at fair value through other comprehensive income are acquired with the intention of capital appreciation over a medium to long-term time frame.

The hierarchy for determining and disclosing the fair value of financial assets at fair value through other comprehensive income by valuation techniques are presented in note 16.

OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait
Notes to the interim condensed consolidated financial information (Unaudited)
For the three months period ended 31 March 2024

6. Debtors and other debit balances

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Receivable from tenants	200,360	193,272	184,351
Refundable deposits	17,765	17,765	8,640
Provision for doubtful debts	<u>(178,541)</u>	<u>(171,461)</u>	<u>(157,908)</u>
	39,584	39,576	35,083
Staff receivables	493	1,021	1,135
Accrued income	13,817	11,536	9,538
Other debit balances	<u>109</u>	<u>109</u>	<u>109</u>
	<u><u>54,003</u></u>	<u><u>52,242</u></u>	<u><u>45,865</u></u>

7. Related parties

Related parties primarily comprise of directors, key management personnel, associates, subsidiaries, shareholders and companies of which the Parent Company is principal owner or over which they are able to exercise significant influence. All related party transactions are carried out on terms approved by the group's management. The following is the summary of significant related party transactions.

	For the three months period ended	
	31 March 2024 KD	31 March 2023 KD
Transactions included in the interim condensed consolidated statement of profit or loss:		
Net rental income	1,050	3,290
Management fees for real estate and portfolio investments	(11,129)	(12,740)
Key management personnel compensation :		
Salaries and social insurance	(46,892)	(44,859)
	31 March 2024 KD	31 March 2023 KD
Balances included in the interim condensed consolidated statement of financial position :		
Due from :		
Associate company	2,402,157	2,538,877
Provision for doubtful debts (note 20)	<u>(2,402,157)</u>	<u>(2,538,877)</u>
	-	-

8. Financial assets at fair value through profit or loss

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Local managed portfolios	31,745	31,832	31,844
Local quoted shares	1,219,253	3,483,086	3,899,885
Foreign managed portfolios	-	-	88,554
Witten off	-	-	<u>(88,554)</u>
	<u><u>1,250,998</u></u>	<u><u>3,514,918</u></u>	<u><u>3,931,729</u></u>

OSOS Holding Group Company K.P.S.C. and its subsidiaries

State of Kuwait

Notes to the interim condensed consolidated financial information (Unaudited)

For the three months period ended 31 March 2023

8. Financial assets at fair value through profit or loss (continued)

Local quoted shares amounting to KD 1,219,253 (31 December 2023: KD 3,483,086 and 31 March 2023: KD 3,899,885) managed by a related party under a portfolio management agreement.

The hierarchy for determining and disclosing the fair value of financial assets at fair value through the consolidated statement of profit or loss by valuation techniques are presented in note 16.

9. Wakala investments deposits

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Wakala investments deposits	<u> </u>	<u>124,000</u>	<u> </u>

The effective yield rate of the wakala investments deposits is Nil (31 December 2023: 4.25% and 31 March 2023: Nil) per annum.

10. Cash and cash equivalents

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Cash on hand	610	500	502
Cash at banks	201,361	69,067	236,712
Cash in portfolios	2,470,441	40,020	288,543
Wakala investments deposits	<u>989,000</u>	<u>1,138,000</u>	<u>1,056,000</u>
	<u>3,661,412</u>	<u>1,247,587</u>	<u>1,581,757</u>

The effective interest rate on wakala investment deposits as at financial position date is between 3.5% to 4.3% (31 December 2023: 3.9% to 4.4% and 31 March 2023: 1.50% to 1.75%) per annum.

11. Share capital

The company's share capital is KD 10,500,000 (31 December 2023: KD 10,500,000 and 31 March 2023: KD 10,500,000) distributed into 105,000,000 shares (31 December 2023: 105,000,000 shares and 31 March 2023: 105,000,000 shares) each valued at 100 fils and all shares are cash shares.

12. Lease contract with promise to purchase

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Total amount	1,160,094	1,160,094	1,260,646
Less: deferred finance costs	<u>(75,894)</u>	<u>(75,894)</u>	<u>(68,546)</u>
	<u>1,084,200</u>	<u>1,084,200</u>	<u>1,192,100</u>

OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait
Notes to the interim condensed consolidated financial information (Unaudited)
For the three months period ended 31 March 2024

12. Lease contract with promise to purchase (continued)

On 19 October 2021 the subsidiary company (OSOS United Real Estate Group Company K.S.C. (Closed) signed lease contract with promise to purchase with Local Islamic Bank at State of Kuwait. Lease contract with promise to purchase is repaid on maximum period of 12 years at effective cost rate 2.75% per annum above discount rate of Central Bank of Kuwait. The subsidiary company is obligated to deposit the property income or otherwise in the subsidiary company account with the local bank. Also, the subsidiary company undertakes that distribution rate of net profits shall not exceed 75%. Lease contract with promise to purchase is granted against pledged of buildings on leasehold land to a Local Islamic Bank (note 4)

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Non- current portion	949,325	976,300	1,057,225
Current portion	<u>134,875</u>	<u>107,900</u>	<u>134,875</u>
	<u>1,084,200</u>	<u>1,084,200</u>	<u>1,192,100</u>

13. Provisions

The Group management performed comprehensive study of contingents and commitments that will probably require resource outlays and future cash outflow. Furthermore, the management created provision for probable losses are as follows:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
	KD	KD	KD
Precautionary provision for bank facilities granted to an associate	1,116,563	1,116,563	1,150,793
Provision against due from subsidiary (note 20)	1,402,741	1,402,741	1,425,218
Precautionary provision for potential estimated financial support from lawsuits of an associate	-	-	196,381
	<u>2,519,304</u>	<u>2,519,304</u>	<u>2,772,392</u>

14. Income / (loss) from investments

	For the three months period ended	
	31 March 2024	31 March 2023
	KD	KD
Unrealised gain / (loss) on financial assets at fair value through profit or loss	87,843	(240,669)
Realised gain / (loss) on sale of financial assets at fair value through profit or loss	95,312	(65,377)
Dividend income	5,764	5,748
Portfolio management fees	<u>(15,593)</u>	<u>(20,594)</u>
	<u>173,326</u>	<u>(320,892)</u>

OSOS Holding Group Company K.P.S.C. and its subsidiaries
State of Kuwait
Notes to the interim condensed consolidated financial information (Unaudited)
For the three months period ended 31 March 2024

15. Earnings / (loss) per share attributable to owners of the Parent Company (fils)

Earnings / (loss) per share is calculated by dividing the net profit / (loss) (attributable to owners of the Parent Company) to weighted average number of shares outstanding during the period. The following is the profit / (loss) and weighted average number of shares outstanding during the period which is used to calculate the profit / (loss) per share.

The Parent Company had no outstanding dilutive potential shares.

	For the three months period ended	
	31 March 2024	31 March 2023
Profit / (loss) for the period	132,945	(348,367)
Weighted average number of shares outstanding (No's)	105,000,000	105,000,000
Basic and diluted earnings / (loss) per share (Fils)	1.27	(3.32)

16. Fair value of financial instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of fair value through other comprehensive income, due from related parties, accounts receivable and other debit balances, investments at fair value through profit or loss, bank balances and short term deposits. Financial liabilities consist of lease contract with promise to purchase and accounts payable and other credit balances. The fair values of financial instruments are not materially different from their carrying values.

a) Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

31 March 2024	Level 1	Level 3	Total
	KD	KD	KD
<i>Financial assets at fair value through profit or loss</i>			
Managed portfolios	3,745	28,000	31,745
Local quoted securities	1,219,253	-	1,219,253
<i>Financial assets at fair value through other comprehensive income</i>			
Foreign unquoted securities	-	301,536	301,536
Local unquoted securities	-	74,812	74,812
Total	<u>1,222,998</u>	<u>404,348</u>	<u>1,627,346</u>

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16. Fair value of financial instruments (continued)

31 December 2023	Level 1	Level 3	Total
	KD	KD	KD
<i>Financial assets at fair value through profit or loss</i>			
Managed portfolios	3,832	28,000	31,832
Local quoted securities	3,483,086	-	3,483,086
<i>Financial assets at fair value through other comprehensive income</i>			
Foreign unquoted securities	-	301,536	301,536
Local unquoted securities	-	74,812	74,812
Total	<u>3,486,918</u>	<u>404,348</u>	<u>3,891,266</u>
31 March 2023			
<i>Financial assets at fair value through profit or loss</i>			
Managed portfolios	3,844	28,000	31,844
Local quoted securities	3,899,885	-	3,899,885
<i>Financial assets at fair value through other comprehensive income</i>			
Foreign unquoted securities	-	286,615	286,615
Local unquoted securities	-	114,257	114,257
Total	<u>3,903,729</u>	<u>428,872</u>	<u>4,332,601</u>

There have been no transfers between levels 1 & 3 during the reporting period.

Valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 3 financial instruments, as well as the inter-relationship between key unobservable inputs and fair value, are set out below.

Valuation of unquoted equity investments classified under level 3 is normally based on price to book value technique, dividend yield method and external valuation with marketability discount ranging from 20% to 30%.

Changing inputs to the level 3 valuations to reasonably possible alternative assumptions would not change significantly amounts recognized in the consolidated statement of profit or loss, total assets, total liabilities or total equity.

The measurement of financial assets and liabilities classified in level 3 uses valuation techniques inputs that are not based on observable market date. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

Reconciliation of Level 3 fair value measurements of financial assets

	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Total
	KD	KD	KD
31 March 2024			
Beginning balance	<u>28,000</u>	<u>376,348</u>	<u>404,348</u>
Ending balance	<u>28,000</u>	<u>376,348</u>	<u>404,348</u>

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16. Fair value of financial instruments (continued)

	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Total
	KD	KD	KD
31 December 2023			
Beginning balance	28,000	400,872	428,872
Total gain or loss			
- Change in fair value reserve	-	(24,524)	(24,524)
Ending balance	<u>28,000</u>	<u>376,348</u>	<u>404,348</u>
31 March 2023			
Beginning balance	<u>28,000</u>	<u>400,872</u>	<u>428,872</u>
Ending balance	<u>28,000</u>	<u>400,872</u>	<u>428,872</u>

The sensitivity analysis of a reasonably possible change in one significant unobservable input, holding other inputs constant, of level 3 financial instruments is provided below:

Financial assets at fair value through other comprehensive income (level 3)

	Profit or loss		Other comprehensive income	
	Increase	Decrease	Increase	Decrease
	KD	KD	KD	KD
31 March 2024				
If marketability discount changes by 5% with all other factors constant, the impact on the profit and equity would be:	1,400	(1,400)	18,817	(18,817)
31 December 2023				
If marketability discount changes by 5% with all other factors constant, the impact on the profit and equity would be:	1,400	(1,400)	18,817	(18,817)
31 March 2023				
If marketability discount changes by 5% with all other factors constant, the impact on the profit and equity would be:	1,400	(1,400)	20,044	(20,044)

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

(i) *Quoted securities*

All the listed equity securities are publicly traded on a recognized stock exchange. Fair value has been determined by referring to their quoted bid prices at the reporting date.

(ii) *Managed portfolios*

The underlying investments of managed funds primarily comprise of quoted and unquoted securities. The fair value of the quoted underlying securities has been determined by reference to their quoted bid prices at the reporting date. The fair value of the unquoted underlying securities has been determined using valuation techniques that are normally used by fund managers. All significant inputs into the model are based on observable market prices.

(iii) *Unquoted securities*

Unlisted securities are measured at fair value estimated using various models like discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates or the latest consolidated financial statements or information available on these investments the future financial flows of which are unpredictable.

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17. Operating segments

The group's activities represent mainly two segments: real estate activities and investments activities. The group operates mainly in the State of Kuwait and has no other geographical area. For the purpose of presenting the main activities, the management classified its activities as follows:

Real estate activities: Own, sell, purchase real estate and bare lands and develop for the Company's account inside Kuwait and outside Kuwait as well as property management for others. Own, sell, purchase shares and bonds in real estate companies for company's account only. Prepare studies and offer consultations in the field of real estate in varied forms.

Investment activities: Investing in portfolios and in other companies.

	Real estate activities	Investment activities	Total
	KD	KD	KD
31 March 2024			
Segment revenues	113,804	180,375	294,179
Segment costs	<u>(69,264)</u>	<u>(91,970)</u>	<u>(161,234)</u>
Segment result	<u>44,540</u>	<u>88,405</u>	<u>132,945</u>
Segment assets	12,200,413	5,273,366	17,473,779
Segment liabilities	1,202,729	3,102,474	4,305,203
31 December 2023			
Segment revenues	1,489,767	662,585	2,152,352
Segment costs	<u>(277,507)</u>	<u>(741,628)</u>	<u>(1,019,135)</u>
Segment result	<u>1,212,260</u>	<u>(79,043)</u>	<u>1,133,217</u>
Segment assets	12,472,017	4,974,096	17,446,113
Segment liabilities	1,212,257	3,198,225	4,410,482
31 March 2023			
Segment revenues	112,684	(309,745)	(197,061)
Segment costs	<u>(68,287)</u>	<u>(83,019)</u>	<u>(151,306)</u>
Segment result	<u>44,397</u>	<u>(392,765)</u>	<u>(348,367)</u>
Segment assets	11,209,681	5,874,560	17,084,241
Segment liabilities	1,314,408	3,351,262	4,665,670

18. Annual general assembly meeting

The annual general assembly of shareholders was held on 15 April 2024 and approved the consolidated financial statements for the year ended 31 December 2023.

The General Assembly also approved the distribution of cash dividends to shareholders for the year ended 31 December 2023 are as follows:

- Distribution of cash dividends to shareholders at the rate of 4% (Four Percent) of the nominal value of each share (i.e. 4 fils per share).
- Bonus shares at the rate of 4% (Four percent) of authorized, issued and paid capital (that is four shares for each 100 shares) by issuing 4,200,000 new shares distributed as bonus shares to the shareholders registered in the company's shareholder records as at end of the entitlement day.

The General Assembly also approved Board of Directors remuneration in the amount of KD 42,000 for the year ended 31 December 2023.

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19. Extra-ordinary general assembly meeting

The extra-ordinary general assembly meeting of shareholders was held on 15 April 2024 and following was approved:

- Increasing the company's authorized, issued and fully paid capital from the amount of KD 10,500,000 to the amount of KD 10,920,000 by issuing 4,200,000 new shares to be distributed as free bonus shares to the shareholders registered in the company's shareholders' records as at the end of the entitlement day.
- Amending Article (5) of the Articles of Association and Article (6) of the Articles of Incorporation so that the text, after amendment, becomes as follows:

"The company's authorized, issued and fully paid capital is set at KD 10,920,000 (Ten Million Nine Hundred and Twenty Thousand Kuwaiti dinars only) distributed over 109,200,000 shares (One Hundred and Nine Million Two Hundred Thousand shares only), each of which has a value of 100 fils and all shares are in cash.

20. Comparative figures

Certain of the prior year amounts have been reclassified to conform to the amounts of current period / year presentation. The reclassification had no effect on the Group's profit or equity for the prior period / year.

The reclassification statement is as follows:

	Amounts before reclassification KD	Reclassified amounts KD	Amounts after reclassification KD
Consolidated statement of financial position as at 31 December 2023:			
Due from associate	2,402,279	(2,402,279)	-
Provisions	4,921,583	(2,402,279)	2,519,304
Interim condensed consolidated statement of financial position as at 31 March 2023:			
Due from associate	2,538,877	(2,538,877)	-
Provisions	5,311,269	(2,538,877)	2,772,392