



شركة السينما الكويتية الوطنية
KUWAIT NATIONAL CINEMA COMPANY

Kuwait National Cinema Company K.P.S.C.
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information
and Review Report
For the nine months ended 30 September 2024
(Unaudited)



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Kuwait National Cinema Company K.P.S.C
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 Kuwait National Cinema Company - K.P.S.C ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2024 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month 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 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.

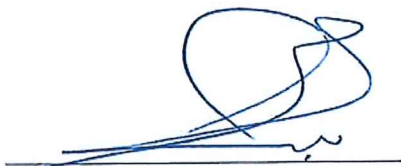
Conclusion

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 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. To the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its executive regulation, as amended, or of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2024 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 provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2024, that might have had a material effect on the business of Group or on its consolidated financial position.



Bader A. Al-Wazzan
Licence No. 62 A
Deloitte & Touche - Al-Wazzan & Co.

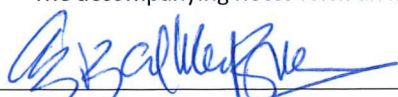
Kuwait, 10 November 2024.

Interim Condensed Consolidated Statement of Financial Position as at 30 September 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar)

| | Note | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|---|------|----------------------|----------------------------------|----------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 4 | 24,469,276 | 26,656,518 | 24,626,181 |
| Investment properties | 5 | 90,266,374 | 90,266,374 | 84,101,008 |
| Right-of-use leased assets | 6 | 12,369,228 | 15,582,038 | 15,553,986 |
| Intangible assets | | 299,850 | 90,084 | 320,386 |
| Investment in an associate | 7 | 51,136,775 | 48,925,862 | 47,932,322 |
| Investments at fair value through other comprehensive income ("FVTOCI") | 8 | 7,295,109 | 6,664,310 | 7,033,378 |
| Trade and other receivables | | 843,446 | 843,446 | 783,638 |
| | | <u>186,680,058</u> | <u>189,028,632</u> | <u>180,350,899</u> |
| Current assets | | | | |
| Inventories | | 720,642 | 666,091 | 985,883 |
| Trade and other receivables | | 768,224 | 779,597 | 586,428 |
| Cash and cash equivalents | 9 | 40,802,304 | 36,933,376 | 32,240,756 |
| | | <u>42,291,170</u> | <u>38,379,064</u> | <u>33,813,067</u> |
| Total assets | | <u>228,971,228</u> | <u>227,407,696</u> | <u>214,163,966</u> |
| Equity and liabilities | | | | |
| Equity | | | | |
| Share capital | | 10,106,250 | 10,106,250 | 10,106,250 |
| Treasury shares | 10 | (8,201,231) | (8,201,231) | (8,201,231) |
| Statutory reserve | | 5,065,834 | 5,065,834 | 5,065,834 |
| Voluntary reserve | | 16,590,250 | 16,590,250 | 15,487,507 |
| Other reserves | 11 | 21,883,781 | 20,686,182 | 20,943,392 |
| Retained earnings | | 43,569,346 | 40,759,546 | 39,384,226 |
| Equity attributable to shareholders of the Parent Company | | 89,014,230 | 85,006,831 | 82,785,978 |
| Non-controlling interests | | 15,203 | 15,125 | 14,747 |
| | | <u>89,029,433</u> | <u>85,021,956</u> | <u>82,800,725</u> |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Trade and other payables | 12 | 8,092,152 | 11,334,400 | 10,815,705 |
| Lease liabilities | 6 | 25,537,102 | 26,472,308 | 27,827,395 |
| Loans and bank facilities | 13 | 64,759,750 | 56,910,250 | 55,420,000 |
| Post-employment benefits | | 1,697,191 | 1,598,876 | 1,583,964 |
| | | <u>100,086,195</u> | <u>96,315,834</u> | <u>95,647,064</u> |
| Current liabilities | | | | |
| Trade and other payables | 12 | 16,206,836 | 18,332,662 | 12,716,514 |
| Lease liabilities | 6 | 2,032,080 | 3,178,052 | 1,928,975 |
| Loans and bank facilities | 13 | 21,616,684 | 24,559,192 | 21,070,688 |
| | | <u>39,855,600</u> | <u>46,069,906</u> | <u>35,716,177</u> |
| Total liabilities | | <u>139,941,795</u> | <u>142,385,740</u> | <u>131,363,241</u> |
| Total equity and liabilities | | <u>228,971,228</u> | <u>227,407,696</u> | <u>214,163,966</u> |

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



Abdulaziz Dawoud Marzouq Al-Marzouq
Chairman



Hisham Fahad Al-Ghanim
Vice Chairman

Interim Condensed Consolidated Statement of Income for the nine months ended 30 September 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar)

| | Note | Three months ended | | Nine months ended | |
|--|------|--------------------|------------------|-------------------|------------------|
| | | 30 September | | 30 September | |
| | | 2024 | 2023 | 2024 | 2023 |
| Operating revenues | 14 | 10,020,995 | 9,483,974 | 28,864,272 | 22,289,181 |
| Operating costs | 15 | (7,049,451) | (8,025,980) | (18,852,823) | (17,293,455) |
| Gross profit | | 2,971,544 | 1,457,994 | 10,011,449 | 4,995,726 |
| Other operating income | | 623,174 | 1,056,668 | 2,455,523 | 2,215,981 |
| General and administrative expenses | | (493,785) | (467,556) | (1,908,962) | (1,553,734) |
| Other operating expenses | | (242,974) | (226,255) | (554,789) | (543,416) |
| Net gain from financial investments | | 25,745 | 2,262 | 402,032 | 218,871 |
| Group's share in business results of an associate | 7 | 1,318,653 | 1,508,075 | 4,294,328 | 4,565,685 |
| Finance interests | | (1,446,907) | (639,547) | (4,109,357) | (1,465,860) |
| Net Profit before deductions | | 2,755,450 | 2,691,641 | 10,590,224 | 8,433,253 |
| Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS") | | (12,938) | (10,217) | (55,269) | (35,082) |
| National labour support tax ("NLST") | | (69,408) | (67,350) | (257,895) | (212,455) |
| Zakat | | (13,138) | (11,859) | (56,070) | (39,325) |
| Net profit for the period | | 2,659,966 | 2,602,215 | 10,220,990 | 8,146,391 |
| Attributable to: | | | | | |
| Shareholders of the Parent Company | | 2,658,893 | 2,601,000 | 10,217,912 | 8,143,696 |
| Non-controlling interest | | 1,073 | 1,215 | 3,078 | 2,695 |
| | | <u>2,659,966</u> | <u>2,602,215</u> | <u>10,220,990</u> | <u>8,146,391</u> |
| Earnings per share (fils) | 16 | <u>28.71</u> | <u>28.09</u> | <u>110.34</u> | <u>87.94</u> |

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

Interim Condensed Consolidated Statement of Comprehensive Income for the nine months ended 30 September 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar)

| | Note | Three months ended 30 September | | Nine months ended 30 September | |
|--|------|------------------------------------|------------------|-----------------------------------|------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Net profit for the period | | <u>2,659,966</u> | <u>2,602,215</u> | <u>10,220,990</u> | <u>8,146,391</u> |
| Other comprehensive income items: | | | | | |
| Items that may not be reclassified subsequently to statement of income: | | | | | |
| Net change in fair value of financial investments at FVTOCI | | (69,694) | (437,956) | 740,814 | (305,974) |
| Group's share from change in fair value reserves of an associate | 7 | <u>125,078</u> | <u>177,231</u> | <u>174,325</u> | <u>262,042</u> |
| | | <u>55,384</u> | <u>(260,725)</u> | <u>915,139</u> | <u>(43,932)</u> |
| Items that may be reclassified subsequently to statement of income: | | | | | |
| Group's share from foreign currency reserves of an associate | 7 | (7,352) | 7,565 | (7,740) | 10,448 |
| Exchange differences on translation of a subsidiary | | <u>43,679</u> | <u>(9,309)</u> | <u>290,200</u> | <u>70,602</u> |
| | | <u>36,327</u> | <u>(1,744)</u> | <u>282,460</u> | <u>81,050</u> |
| Other comprehensive (loss)/ profit for the period | | <u>91,711</u> | <u>(262,469)</u> | <u>1,197,599</u> | <u>37,118</u> |
| Total comprehensive profit for the period | | <u>2,751,677</u> | <u>2,339,746</u> | <u>11,418,589</u> | <u>8,183,509</u> |
| Attributable to: | | | | | |
| Shareholders of the Parent Company | | 2,750,604 | 2,338,531 | 11,415,511 | 8,180,814 |
| Non-controlling interests | | <u>1,073</u> | <u>1,215</u> | <u>3,078</u> | <u>2,695</u> |
| | | <u>2,751,677</u> | <u>2,339,746</u> | <u>11,418,589</u> | <u>8,183,509</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 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar)

| | Equity attributable to shareholders of the Parent Company | | | | | | | Non- controlling interests | Total |
|---|---|--------------------|----------------------|----------------------|--------------------------------|----------------------|-------------------|----------------------------------|-------------------|
| | Share capital | Treasury shares | Statutory reserve | Voluntary reserve | Other reserves (Note 12) | Retained earnings | Total | | |
| Balance as at 1 January 2023 | 10,106,250 | (8,201,231) | 5,065,834 | 15,487,507 | 20,906,274 | 36,796,616 | 80,161,250 | 13,927 | 80,175,177 |
| Net profit for the period | - | - | - | - | - | 8,143,696 | 8,143,696 | 2,695 | 8,146,391 |
| Comprehensive income for the period | - | - | - | - | 37,118 | - | 37,118 | - | 37,118 |
| Total comprehensive income for the period | - | - | - | - | 37,118 | 8,143,696 | 8,180,814 | 2,695 | 8,183,509 |
| Cash dividends | - | - | - | - | - | (5,556,086) | (5,556,086) | - | (5,556,086) |
| Cash dividends in a subsidiary | - | - | - | - | - | - | - | (1,875) | (1,875) |
| Balance as at 30 September 2023 | <u>10,106,250</u> | <u>(8,201,231)</u> | <u>5,065,834</u> | <u>15,487,507</u> | <u>20,943,392</u> | <u>39,384,226</u> | <u>82,785,978</u> | <u>14,747</u> | <u>82,800,725</u> |
| Balance as at 1 January 2024 | 10,106,250 | (8,201,231) | 5,065,834 | 16,590,250 | 20,686,182 | 40,759,546 | 85,006,831 | 15,125 | 85,021,956 |
| Net income for the period | - | - | - | - | - | 10,217,912 | 10,217,912 | 3,078 | 10,220,990 |
| Comprehensive income for the period | - | - | - | - | 1,197,599 | - | 1,197,599 | - | 1,197,599 |
| Total comprehensive income for the period | - | - | - | - | 1,197,599 | 10,217,912 | 11,415,511 | 3,078 | 11,418,589 |
| Cash dividends (Note 20) | - | - | - | - | - | (7,408,112) | (7,408,112) | - | (7,408,112) |
| Cash dividends in a subsidiary | - | - | - | - | - | - | - | (3,000) | (3,000) |
| Balance as at 30 September 2024 | <u>10,106,250</u> | <u>(8,201,231)</u> | <u>5,065,834</u> | <u>16,590,250</u> | <u>21,883,781</u> | <u>43,569,346</u> | <u>89,014,230</u> | <u>15,203</u> | <u>89,029,433</u> |

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

Interim Condensed Consolidated Statement of Cash Flows for the nine months ended 30 September 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar)

| | Nine months ended 30 September | |
|---|-----------------------------------|--------------|
| | 2024 | 2023 |
| Cash flows from operating activities | | |
| Net profit for the period | 10,220,990 | 8,146,391 |
| <i>Adjustments:</i> | | |
| Depreciation and amortization | 1,860,828 | 2,403,344 |
| Impairment of property, plant and equipment | 1,020,000 | 1,143,559 |
| Depreciation of right-of-use leased assets | 1,512,810 | 1,679,303 |
| Impairment in right-of-use assets | 1,700,000 | - |
| Interest income | (599,621) | (578,763) |
| Gains from disposal of property, plant and equipment | (616,052) | - |
| Net profits from financial investments | (402,032) | (218,871) |
| Group's share in business results of an associate | (4,294,328) | (4,565,685) |
| Post-employment benefits | 174,657 | 180,215 |
| Credit loss provision | (15,155) | - |
| Finance costs | 3,375,301 | 771,963 |
| Interests on lease liabilities | 738,362 | 693,897 |
| Operating profit before changes in operating assets and liabilities | 14,675,760 | 9,655,353 |
| Change in inventories | (54,551) | (6,497) |
| Change in trade and other receivables | 319,806 | 272,540 |
| Change in trade and other payables | (5,360,506) | 5,272,276 |
| Cash generated from operating activities | 9,580,509 | 15,193,672 |
| Post-employment benefits paid | (76,342) | (102,525) |
| Net cash generated from operating activities | 9,504,167 | 15,091,147 |
| Cash flows from investment activities | | |
| Paid for purchase of property, plant and equipment | (861,012) | (5,550,751) |
| Paid for acquisition of investment properties | - | (12,811,592) |
| Paid for purchase of intangible assets | (242,242) | (443,981) |
| Time deposits | (2,000,000) | - |
| Proceeds from interest income | 599,621 | 578,763 |
| Proceeds from sale of property, plant and equipment | 815,954 | - |
| Proceeds from disposal of investments at FVTOCI | 110,015 | 1,560,000 |
| Cash dividends received | 2,652,032 | 2,018,871 |
| Net cash generated from / (used in) investing activities | 1,074,368 | (14,648,690) |
| Cash flows from financing activities | | |
| Net proceeds from loans and bank facilities | 4,906,992 | 16,002,077 |
| Finance interests paid | (3,517,487) | (751,080) |
| Repayment of lease liabilities | (2,081,178) | (2,065,760) |
| Repayment of interest of lease liabilities | (738,362) | (693,897) |
| Dividends paid | (7,279,572) | (5,612,754) |
| Net cash (used in) / generated from financing activities | (8,709,607) | 6,878,586 |
| Net change in cash and cash equivalents | 1,868,928 | 7,321,043 |
| Cash and cash equivalents at the beginning of the period | 36,937,818 | 24,924,155 |
| Cash and cash equivalents at the end of the period (Note 9) | 38,806,746 | 32,245,198 |

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

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2024
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. Company's incorporations

Kuwait National Cinema Company K.P.S.C. "the Parent Company" is a Kuwaiti Public Shareholding Company registered and incorporated in Kuwait on 5 October 1954 and is licensed to engage in all activities relating to the cinema industry, entertainment, and cultural events.

The Parent Company is listed on Bursa Kuwait.

The Parent Company's address is Old Khaitan area, block number 9, building Number 164, second floor, office (1+2), P.O. Box 502 Safat, 13006 Safat, Kuwait.

This consolidated financial information includes the financial information of the Parent Company and the financial information of its following subsidiaries together referred to as "the Group":

| | Ownership percentage (%) | Activity | Incorporation country |
|---|--------------------------------|-------------------------------------|--------------------------|
| International Film Distribution Company K.S.C.C. | 99.25 | Publishing and film distribution | Kuwait |
| Al-Kout Film Production and Distribution Company S.A.E. | 100 | Production and film distribution | Egypt |

The interim condensed consolidated financial information for the nine months ended 30 September 2024 was authorized for issuance by the Board of Directors on 10 November 2024.

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 ("IFRS").

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 2024 are not necessarily indicative of results that may be expected for the year ending 31 December 2024. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2023.

2.2 Summary of changes in significant accounting policies

The accounting policies used in the preparation of this 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, in addition to the policies mentioned below and except for the adoption of the new and revised IFRS which are effective from 1 January 2024 and did not result in any impact on the interim condensed consolidated financial information of the Group.

The Group has not early adopted any standards, interpretations and amendments that had been issued but is not yet effective.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

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

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

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

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

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

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

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

3. Fair value estimation

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

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

The table below gives information about how the fair values of the significant financial assets and liabilities are determined:

| | Fair value as at | | | Fair value hierarchy | Significant unobservable inputs | Valuation technique(s) and Key input(s) | Relation of unobservable inputs to fair value |
|--|-------------------|------------------|-------------------|----------------------|---------------------------------|---|---|
| | 30 September 2024 | 31 December 2023 | 30 September 2023 | | | | |
| Equity instruments designated as FVTOCI | | | | | | | |
| Quoted shares | 6,908,380 | 6,598,116 | 6,967,184 | Level 1 | N/A | Last bid price | N/A |
| Unquoted shares | 376,729 | 56,194 | 56,194 | Level 3 | N/A | Discounted cash flows | Higher discount results in value decline |
| Unquoted shares | 10,000 | 10,000 | 10,000 | Level 3 | N/A | Adjusted book value | N/A |

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Adjustment to determine fair value hierarchy 3

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|---------------------------|----------------------|----------------------------------|----------------------|
| Balance as at 1 January | 66,194 | 1,626,194 | 1,626,194 |
| Exclusions | - | (1,560,000) | (1,560,000) |
| Change in fair value | 320,535 | - | - |
| Balance as at 31 December | <u>386,729</u> | <u>66,194</u> | <u>66,194</u> |

The fair value of other financial assets and liabilities approximately equal its book value as at the interim condensed consolidated financial information date.

The balance of accumulated profits related to disposed investments held in the fair value reserve amounted to KD 6,058,945 as at 30 September 2024, and KD 6,416,490 as at 31 December 2023, and 30 September 2023.

4. Property, plant and equipment

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|--|----------------------|----------------------------------|----------------------|
| Net carrying value at the beginning of the period / year | 26,656,518 | 22,449,122 | 22,449,122 |
| Additions during the period / year | 861,012 | 7,433,744 | 5,550,751 |
| Transferred from investment properties | - | 610,734 | - |
| Revaluation of lands | - | 20,000 | - |
| Disposals during the period / year (net) | (199,902) | (32,709) | - |
| Depreciation during the period / year | (1,828,352) | (2,680,814) | (2,230,133) |
| Impairment | (1,020,000) | (1,143,559) | (1,143,559) |
| Balance as at the end of the period / year | <u>24,469,276</u> | <u>26,656,518</u> | <u>24,626,181</u> |

The Group assessed impairment of property, plant and equipment of an operating location based on value-in-use method. The Group concluded that recoverable amount is less than carrying value. The Group recorded impairment in property, plant and equipment and right of use assets (Note 6) by amount of KD 1,020,000 during the period ended 30 September 2024 (KD 1,143,559 - 2023 and the period ended 30 September 2023) and KD 1,700,000 during the period ended 30 September 2024 (nil KD – 2023 and the period ended 30 September 2023). Impact of such impairment was recognized under operating cost of cinemas and concession for the period ended 30 September 2024.

5. Investment properties

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|--|----------------------|----------------------------------|----------------------|
| Investment properties | 90,266,374 | 90,266,374 | 4,754,416 |
| Investment properties under development | - | - | 79,346,592 |
| Balance as at the end of the period / year | <u>90,266,374</u> | <u>90,266,374</u> | <u>84,101,008</u> |

Movement on investment properties is as follows:

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|--|----------------------|----------------------------------|----------------------|
| Balance at the beginning of the period/year | 90,266,374 | 71,201,924 | 71,201,924 |
| Additions during the period/year | - | 19,426,053 | 12,899,084 |
| Transferred to property, plant and equipment's | - | (610,734) | - |
| Transferred to right-of-use leased assets | - | (525,825) | - |
| Change in fair value | - | 774,956 | - |
| Balance at the end of the period/year | <u>90,266,374</u> | <u>90,266,374</u> | <u>84,101,008</u> |

6. Right-of-use leased assets

The Group as a lessee has leased several assets including buildings and lands. The average lease term ranges from 2 years to 16 years. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|---|----------------------|----------------------------------|----------------------|
| Net carrying value as at 1 January | 15,582,038 | 17,233,289 | 17,233,289 |
| Amortization | (1,512,810) | (2,177,076) | (1,679,303) |
| Impairment (Note 4) | (1,700,000) | - | - |
| Transferred from investment properties | - | 525,825 | - |
| Net carrying value as at the end of the period / year | <u>12,369,228</u> | <u>15,582,038</u> | <u>15,553,986</u> |

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|---|----------------------|----------------------------------|----------------------|
| Non-current lease liabilities | | | |
| Amounts due for settlement after 12 months | 25,537,102 | 26,472,308 | 27,827,395 |
| Current lease liabilities | | | |
| Amounts due for settlement within 12 months | 2,032,080 | 3,178,052 | 1,928,975 |
| | <u>27,569,182</u> | <u>29,650,360</u> | <u>29,756,370</u> |

Maturity analysis

Maturity dates of undiscounted lease liabilities are as follows:

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|--|----------------------|----------------------------------|----------------------|
| Not later than 1 year | 2,032,080 | 3,178,052 | 1,928,975 |
| Later than 1 year and not later than 5 years | 9,713,332 | 11,855,679 | 12,054,842 |
| Later than 5 years | 24,080,654 | 23,871,584 | 24,993,001 |
| | <u>35,826,066</u> | <u>38,905,315</u> | <u>38,976,818</u> |

Movement on lease liabilities during the year is as follows:

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|--|----------------------|----------------------------------|----------------------|
| Balance as at the beginning of the period / year | 29,650,360 | 31,515,714 | 31,515,714 |
| Addition | - | - | 306,416 |
| Finance interests | 738,362 | 919,099 | 693,897 |
| Lease payments | (2,819,540) | (2,784,453) | (2,759,657) |
| Balance at the end of the period / year | <u>27,569,182</u> | <u>29,650,360</u> | <u>29,756,370</u> |

All above transactions have been eliminated during the preparation of consolidated statement of cash flows as they are non-cash transactions except for the lease payments.

The following table shows the different types of expenses related to leases and recognized in the statement of income:

| | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|------------------|-----------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Amortization of right-of-use assets | 504,326 | 504,647 | 1,512,810 | 1,679,303 |
| Interests on lease liabilities | 301,674 | 229,280 | 738,362 | 693,896 |
| Expense relating to short-term leases | 1,994 | - | 5,982 | 3,988 |
| Expense relating to variable lease payments not included in the measurement of the lease liability | 300,777 | 437,982 | 830,747 | 1,090,669 |
| | <u>1,108,771</u> | <u>1,171,909</u> | <u>3,087,901</u> | <u>3,467,856</u> |

Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

7. Investment in an associate

This represents the Group's investments in Tamdeen Shopping Centres Company K.S.C. (Closed) at 30%.

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|---|----------------------|----------------------------------|----------------------|
| Balance as at the beginning of the period/ year | 48,925,862 | 44,894,147 | 44,894,147 |
| Group's share in business results of an associate | 4,294,328 | 5,516,166 | 4,565,685 |
| Group's share from change in fair value reserve | 174,325 | 315,549 | 262,042 |
| Group's share from foreign currency translation reserve | (7,740) | - | 10,448 |
| Dividends | (2,250,000) | (1,800,000) | (1,800,000) |
| Balance at the end of the period / year | <u>51,136,775</u> | <u>48,925,862</u> | <u>47,932,322</u> |

8. Investments at fair value through statement of other comprehensive income

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|-----------------|----------------------|----------------------------------|----------------------|
| Quoted shares | 6,908,380 | 6,598,116 | 6,967,184 |
| Unquoted shares | 386,729 | 66,194 | 66,194 |
| | <u>7,295,109</u> | <u>6,664,310</u> | <u>7,033,378</u> |

9. Cash and cash equivalents

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|--|----------------------|----------------------------------|----------------------|
| Cash on hand | 31,265 | 70,419 | 226,405 |
| Banks' current accounts | 20,596,213 | 21,746,214 | 22,898,302 |
| Time deposits (less than three months) | 15,050,000 | 12,500,000 | 6,500,000 |
| Cash at investment portfolios | 3,129,268 | 2,621,185 | 2,620,491 |
| Cash and cash equivalents | 38,806,746 | 36,937,818 | 32,245,198 |
| Time deposits (more than three months) | 2,000,000 | - | - |
| Expected credit losses | (4,442) | (4,442) | (4,442) |
| | <u>40,802,304</u> | <u>36,933,376</u> | <u>32,240,756</u> |

10. Treasury shares

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|-----------------------------------|----------------------|----------------------------------|----------------------|
| Number of treasury shares (share) | 8,460,323 | 8,460,323 | 8,460,323 |
| Percentage to issued shares (%) | 8.37 | 8.37 | 8.37 |
| Market value | 10,236,991 | 9,898,578 | 9,729,371 |

The Parent Company should keep reserves and retained earnings equivalent to the treasury shares throughout the period, in which they are held by the Parent Company, pursuant to the relevant instructions of the regulatory authorities.

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(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

11. Other reserves

| | Land revaluation reserve | Change in fair value reserve | Foreign currency translation reserve | Treasury shares reserve | Total |
|---|--------------------------|------------------------------|--------------------------------------|-------------------------|-------------------|
| Balance at 1 January 2023 | 11,737,139 | 8,524,856 | 517,186 | 127,093 | 20,906,274 |
| Change in fair value of investments through OCI | - | (43,932) | - | - | (43,932) |
| Foreign currency translation reserve | - | - | 81,050 | - | 81,050 |
| Other comprehensive income items for the period | - | (43,932) | 81,050 | - | 37,118 |
| Balance at 30 September 2023 | <u>11,737,139</u> | <u>8,480,924</u> | <u>598,236</u> | <u>127,093</u> | <u>20,943,392</u> |
| Balance at 1 January 2024 | 11,757,139 | 8,163,646 | 638,304 | 127,093 | 20,686,182 |
| Change in fair value of investments through OCI | - | 915,139 | - | - | 915,139 |
| Foreign currency translation reserve | - | - | 282,460 | - | 282,460 |
| Other comprehensive income items for the period | - | 915,139 | 282,460 | - | 1,197,599 |
| Balance at 30 September 2024 | <u>11,757,139</u> | <u>9,078,785</u> | <u>920,764</u> | <u>127,093</u> | <u>21,883,781</u> |

Land revaluation reserve includes the following:

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|--|-------------------|-------------------------------|-------------------|
| Valuation reserve for land within property, plant and equipment | 8,287,163 | 8,287,163 | 8,267,163 |
| Valuation reserve for land reclassified to investment properties | 2,363,735 | 2,363,735 | 2,363,735 |
| Valuation reserve for land sold to an associate | 1,106,241 | 1,106,241 | 1,106,241 |
| | <u>11,757,139</u> | <u>11,757,139</u> | <u>11,737,139</u> |

12. Trade and other payables

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|---|-------------------|-------------------------------|-------------------|
| Non-current | | | |
| Retention payable to contractors | 2,800,230 | 5,692,748 | 5,692,748 |
| Others' deposits | 5,291,922 | 5,641,652 | 5,122,957 |
| | <u>8,092,152</u> | <u>11,334,400</u> | <u>10,815,705</u> |
| Current | | | |
| Trade payables | 4,562,085 | 4,729,517 | 5,354,804 |
| Provision for claims | 2,154,065 | 2,154,065 | 2,154,065 |
| Expenses and accrued leaves | 1,655,223 | 1,748,842 | 1,484,514 |
| Dividends payable | 1,206,976 | 1,072,358 | 1,086,952 |
| Construction contracts liabilities of investment properties | 5,100,640 | 7,147,998 | 992,273 |
| Deferred income | 1,108,600 | 1,010,182 | 1,191,364 |
| Due to related parties (Note 19) | 1,270 | 7,814 | 119,704 |
| Board of Directors' remuneration | - | 35,000 | - |
| Taxes and deductions | 369,234 | 387,347 | 294,973 |
| Other payables | 48,743 | 39,539 | 37,865 |
| | <u>16,206,836</u> | <u>18,332,662</u> | <u>12,716,514</u> |
| | <u>24,298,988</u> | <u>29,667,062</u> | <u>23,532,219</u> |

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. Loans and bank facilities

| | 30 September 2024 | 31 December 2023 (Audited) | 30 September 2023 |
|-------------------|----------------------|----------------------------------|----------------------|
| Long term | | | |
| Islamic finance | 64,759,750 | 56,910,250 | 55,420,000 |
| | <u>64,759,750</u> | <u>56,910,250</u> | <u>55,420,000</u> |
| Short term | | | |
| Islamic finance | 13,545,250 | 16,718,269 | 11,000,000 |
| Loans | 7,000,000 | 7,000,000 | 7,000,000 |
| Banks-overdraft | 1,071,434 | 840,923 | 3,070,688 |
| | <u>21,616,684</u> | <u>24,559,192</u> | <u>21,070,688</u> |
| | <u>86,376,434</u> | <u>81,469,442</u> | <u>76,490,688</u> |

- Long-term loans and bank facilities are granted to the Group from local banks against commitments from the Group represented mainly in transferring revenues of an investment properties under development to the Group's accounts with those banks.
- The repayment period of long-term loans ranges between 2 to 6 years.
- The effective interest rate on loans and bank facilities was 5.25% during the nine months ended 30 September 2024 (5.26% during year 2023, 5.40% during the nine months ended 30 September 2023).

14. Operating income

| | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|------------------|-----------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue of cinema and buffets activity | 6,286,595 | 8,358,939 | 17,783,296 | 20,939,075 |
| Revenue of investment properties | 3,734,400 | 1,125,035 | 11,080,976 | 1,350,106 |
| | <u>10,020,995</u> | <u>9,483,974</u> | <u>28,864,272</u> | <u>22,289,181</u> |

15. Operating costs

| | Three months ended 30 September | | Nine months ended 30 September | |
|--------------------------------------|------------------------------------|------------------|-----------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Costs of cinema and buffets activity | 6,842,561 | 7,804,136 | 16,221,002 | 16,973,264 |
| Cost of investment property | 206,890 | 221,844 | 2,631,821 | 320,191 |
| | <u>7,049,451</u> | <u>8,025,980</u> | <u>18,852,823</u> | <u>17,293,455</u> |

16. Earnings per share

Basic and diluted earnings per share are computed by dividing profit during the period by the weighted average number of ordinary shares outstanding during the period as follows:

| | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|-------------------|-----------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net profit for the period attributable to Shareholders of the Parent Company | 2,658,893 | 2,601,000 | 10,217,912 | 8,143,696 |
| Weighted average number of outstanding shares (share) | <u>92,602,177</u> | <u>92,602,177</u> | <u>92,602,177</u> | <u>92,602,177</u> |
| Earnings per share (fils) | <u>28.71</u> | <u>28.09</u> | <u>110.34</u> | <u>87.94</u> |

Both basic and diluted earnings per share are equal since the Parent Company does not have diluted outstanding instruments.

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(Unaudited)

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17. Segments information

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 "Operating Segments". IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the "Executive Management" who are the Chief Operating decision-makers in order to allocate resources to the segment and to assess its performance. The Group CEO is identified as a chief operating decision maker for the Group.

The main objective of the Group is to engage in activities relating to the cinema industry, entertainment, and culture events. In addition, the Group invests its available excess funds through investment portfolios in the state of Kuwait. The following is the segment information which is presented to the management:

- Cinema and buffets segment: Represents all activities related to cinema shows, films distribution as well as activities related to buffets supplemented to theatres.
- Investment segment: Represents investment in equity, investment funds and investments in an associate.
- Investment properties segment: Represents activities related to real estates including rental of investment properties.

The following schedule presents the information about revenues, profits and assets for each segment:

Statement of segments activity as at 30 September 2024

| | Cinema & buffets segment | Investment properties segment | Financial investments segment | Unallocated items | Total |
|-----------------------------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------|--------------|
| Net revenues | 17,783,296 | 11,080,976 | 4,696,360 | 2,455,523 | 36,016,155 |
| Costs | (16,221,002) | (2,631,821) | - | (6,942,342) | (25,795,165) |
| Segment's profits/ (losses) | 1,562,294 | 8,449,155 | 4,696,360 | (4,486,819) | 10,220,990 |
| Assets | 35,763,585 | 90,266,374 | 61,561,152 | 41,380,117 | 228,971,228 |

Statement of segments activity as at 30 September 2023

| | Cinema & buffets segment | Investment properties segment | Financial investments segment | Unallocated items | Total |
|-----------------------------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------|--------------|
| Net revenues | 20,939,075 | 1,350,106 | 3,778,387 | 3,263,813 | 29,331,381 |
| Costs | (16,973,264) | (320,191) | - | (3,891,535) | (21,184,990) |
| Segment's profits/ (losses) | 3,965,811 | 1,029,915 | 3,778,387 | (627,722) | 8,146,391 |
| Assets | 37,889,473 | 84,101,008 | 57,586,188 | 34,587,297 | 214,163,966 |

18. Related parties' transactions

Related parties represent the shareholders who have representatives in the Boards of Directors, members of the Boards of Directors, Senior Management and the companies, which are controlled by the major shareholders. In the ordinary course of business, the Group entered into transactions with related parties during the period.

The following is the statement of volume and nature of those transactions during the period:

| | 30 September 2024 | 30 September 2023 |
|---|--------------------------|--------------------------|
| Related parties' transactions | | |
| Key management compensation | 196,602 | 167,486 |
| Expenses (rents, consultancy and others) | 1,052,543 | 1,241,336 |
| Other income | 83,801 | 87,432 |
| Selling financial investments at fair value through statement of income | - | 1,560,000 |

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(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

| | 30 September 2024 | 31 December 2023 | 30 September 2023 |
|--|----------------------|---------------------|----------------------|
| Balances resulting from those transactions: | | (Audited) | |
| Due to related parties (Note 12) | 1,270 | 7,814 | 119,704 |
| Cash at investment portfolios | 3,129,268 | 2,621,185 | 2,620,491 |
| Key management compensation - long term | 228,808 | 237,900 | 178,277 |
| Key management compensation - short term | 38,558 | - | 46,126 |

A related party manages investment portfolios on behalf of the Group. The book value of such portfolio is amounted to KD 7,295,109 as at 30 September 2024 (KD 6,664,310 as at 31 December 2023, KD 7,033,378 as at 30 September 2023).

All transactions are subject to approval of the General Assembly of shareholders.

19. Capital commitments and contingent liabilities

19.1 Capital commitments

| | 30 September 2024 | 31 December 2023 | 30 September 2023 |
|---|----------------------|---------------------|----------------------|
| | | (Audited) | |
| Estimated capital expenditure | - | - | 5,844,654 |
| Future commitments for purchasing films | 986,201 | 986,201 | 793,458 |

19.2 Contingent liabilities

| | | | |
|----------------------|-----------|-----------|-----------|
| letters of guarantee | 2,298,462 | 2,300,762 | 2,386,680 |
|----------------------|-----------|-----------|-----------|

20. Ordinary general assembly meeting

The ordinary General Assembly of shareholders was held on 28 March 2024, and approved the consolidated financial statements for the year ended 31 December 2023. It also approved the distribution of cash dividends of 80 fils per share after deducting treasury shares, and proposed Board of Directors remuneration of KD 35,000 for the year 2023.