AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 SEPTEMBER 2022 (UNAUDITED)

Building a better
working world

Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
18–20th Floor, Baitak Tower
Ahmed Al Jaber Street
Safat Square 13001, Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
ey.com/mena

RSM Albazie & Co.

Arraya Tower 2, Floors 41 & 42
Abdulaziz Hamad Alsaqar St., Sharq
P.O. Box 2115, Safat 13022, State of Kuwait

T +965 22961000
F +965 22412761
www.rsm.global/kuwait

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Agility Public Warehousing Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") as at 30 September 2022 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended and interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the nine 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 International Accounting Standard IAS 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

Except as explained in the following paragraph, 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.

Basis for Qualified Conclusion

(i) As stated in Note 4 to the interim condensed consolidated financial information, the Group's investment in and loan to Korek Telecom ("Korek") is carried at KD 112,580 thousand (31 December 2021: KD 109,293 thousand and 30 September 2021: KD 108,687 thousand) and KD 36,098 thousand (31 December 2021: KD 35,169 thousand and 30 September 2021: KD 35,015 thousand) respectively, in the interim condensed consolidated statement of financial position as at 30 September 2022. We were unable to obtain sufficient appropriate evidence about the investment in Korek and the recoverability of the loan as at 30 September 2022 due to the nature and significant uncertainty around the investment and outcome of the arbitrations. Consequently, we were unable to determine whether any adjustments to the carrying value of the investment and loan to Korek was necessary.

(ii) As stated in Note 11(b) to the interim condensed consolidated financial information and pursuant to the judgment by the Court of Cassation against the General Administration of Customs for Kuwait ("GAC"), the Group has not recorded any adjustments related to the final outcome as at 30 September 2022 in the interim condensed consolidated financial information, as the management is exploring the possibilities of entering into negotiations with GAC for settlement of awarded compensation, which in our view should have been recorded as an income and receivable. As a result, profit for the nine months period ended 30 September 2022, receivables and retained earnings as at 30 September 2022 are understated by KD 54,396 thousands. Further, as stated in Note 11(b), the Group is also eligible for 7% interest per annum on awarded compensation, the financial impact of interest has not been determined in the interim condensed consolidated financial information.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P. (continued)

Qualified Conclusion

Based on our review, except for the possible effect of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

We draw attention to Note 11 (c) to the interim condensed consolidated financial information which describe the contingencies and claims with the General Administration of Customs for Kuwait. Our conclusion is not further qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, except for the possible effects of the matter described in the "Basis for Qualified Conclusion" paragraph above, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine months period ended 30 September 2022 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, except for the possible effects of the matter described in the "Basis for Qualified Conclusion" paragraph above, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine months period ended 30 September 2022 that might have had a material effect on the business of the Parent Company or on its financial position.

WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

NAYEF M. AL-BAZIE
LICENCE NO. 91- A
RSM Albazie & Co.

14 November 2022
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022 (Unaudited)

	Notes	***30 September 2022 KD 000's***	*(Audited) 31 December 2021 KD 000's*	*30 September 2021 KD 000's*
ASSETS				
Non-current assets				
Property, plant and equipment		**304,548**	176,452	172,178
Projects in progress		**34,828**	28,635	34,340
Right-of-use assets		**155,464**	95,213	104,565
Investment properties		**447,633**	434,989	407,310
Intangible assets		**14,564**	11,183	11,368
Goodwill		**354,920**	35,924	29,765
Investment in associates and joint ventures		**149,255**	105,920	103,750
Financial assets at fair value through profit or loss	4	**118,226**	125,254	125,033
Financial assets at fair value through other comprehensive income	5	**738,665**	1,397,859	1,439,476
Other non-current assets		**74,304**	28,213	26,917
Loans to related parties	12	**172,953**	155,692	178,380
Loan to an associate	4	**36,098**	35,169	35,015
Total non-current assets		**2,601,458**	2,630,503	2,668,097
Current assets				
Inventories		**49,370**	18,764	23,821
Trade receivables		**210,912**	91,094	95,101
Other current assets		**101,224**	65,825	80,515
Bank balances, cash and deposits	6	**145,235**	99,123	88,609
Total current assets		**506,741**	274,806	288,046
TOTAL ASSETS		**3,108,199**	2,905,309	2,956,143
EQUITY AND LIABILITIES				
EQUITY				
Share capital		**267,613**	223,011	223,011
Share premium		**152,650**	152,650	152,650
Statutory reserve		**188,450**	188,450	89,731
Treasury shares	7	**(40,561)**	(49,239)	(49,239)
Treasury shares reserve		**56,769**	44,366	44,366
Foreign currency translation reserve		**(248,153)**	(84,486)	(47,183)
Hedging reserve		**10,633**	(12,873)	(13,625)
Investment revaluation reserve		**(565,635)**	(57,372)	(47,568)
Other reserves		**34,464**	34,464	34,464
Retained earnings		**1,524,100**	1,573,610	1,672,976
Equity attributable to equity holders of the Parent Company		**1,380,330**	2,012,581	2,059,583
Non-controlling interests		**123,504**	46,510	40,693
Total equity		**1,503,834**	2,059,091	2,100,276
LIABILITIES				
Non-current liabilities				
Provision for employees' end of service benefits		**19,326**	22,478	21,632
Interest bearing loans		**835,659**	408,318	376,384
Lease liabilities		**132,161**	88,811	86,336
Other non-current liabilities		**42,988**	4,846	4,825
Total non-current liabilities		**1,030,134**	524,453	489,177
Current liabilities				
Interest bearing loans		**104,326**	15,224	17,634
Lease liabilities		**36,331**	14,861	17,346
Trade and other payables		**425,047**	283,706	323,183
Dividends payable		**8,527**	7,974	8,527
Total current liabilities		**574,231**	321,765	366,690
Total liabilities		**1,604,365**	846,218	855,867
TOTAL EQUITY AND LIABILITIES		**3,108,199**	2,905,309	2,956,143

Tarek Abdul Aziz Sultan
Vice Chairperson and CEO

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 30 September 2022 (Unaudited)

		Three months ended 30 September		*Nine months ended 30 September*	
		2022	*2021*	***2022***	*2021*
	Notes	***KD 000's***	*KD 000's*	***KD 000's***	*KD 000's*
CONTINUING OPERATIONS					
Revenue from contract with customers	8	**256,320**	124,487	**526,855**	344,661
Cost of revenues		**(110,789)**	(60,141)	**(242,134)**	(163,093)
Net revenues		**145,531**	64,346	**284,721**	181,568
General and administrative expenses		**(26,689)**	(11,811)	**(50,927)**	(36,987)
Salaries and employee benefits		**(71,223)**	(20,238)	**(112,823)**	(56,984)
Transaction costs on acquisition of subsidiaries		**(4,860)**	-	**(4,860)**	-
Share of results of associates and joint ventures		**1,250**	943	**(1,725)**	1,881
Revaluation loss on financial assets at fair value through profit or loss		**(582)**	(4,194)	**(5,410)**	(10,665)
Dividend income		-	-	**4,774**	-
Miscellaneous income		**2,417**	62	**3,016**	8,644
Profit before interest, taxation, depreciation, amortisation and Directors' remuneration (EBITDA)		**45,844**	29,108	**116,766**	87,457
Depreciation		**(15,048)**	(8,312)	**(31,338)**	(24,142)
Amortisation		**(1,141)**	(1,185)	**(3,476)**	(3,607)
Profit before interest, taxation and Directors' remuneration (EBIT)		**29,655**	19,611	**81,952**	59,708
Interest income		**254**	102	**521**	310
Finance costs		**(8,800)**	(5,123)	**(20,298)**	(14,864)
Profit before taxation and Directors' remuneration		**21,109**	14,590	**62,175**	45,154
Taxation	9	**(3,394)**	(2,090)	**(7,056)**	(5,901)
Directors' remuneration		**(88)**	(35)	**(263)**	(105)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**17,627**	12,465	**54,856**	39,148
DISCONTINUED OPERATIONS					
Profit after tax from discontinued operations	16	-	918,394	-	953,611
PROFIT FOR THE PERIOD		**17,627**	930,859	**54,856**	992,759
Attributable to:					
Equity holders of the Parent Company					
Profit for the period from continuing operations		**12,573**	8,479	**41,393**	25,281
Profit for the period from discontinued operations		-	918,382	-	952,791
		12,573	926,861	**41,393**	978,072
Non-controlling interests					
Profit for the period from continuing operations		**5,054**	3,986	**13,463**	13,867
Profit for the period from discontinued operations		-	12	-	820
		5,054	3,998	**13,463**	14,687
PROFIT FOR THE PERIOD		**17,627**	930,859	**54,856**	992,759
BASIC AND DILUTED EARNINGS PER SHARE – ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (fils)	10	**4.95**	366.95	**16.36**	387.22
BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS – ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (fils)	10	**4.95**	3.36	**16.36**	10.01

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2022 (Unaudited)

	Three months ended 30 September		*Nine months ended 30 September*	
	2022	*2021*	***2022***	*2021*
	KD 000's	*KD 000's*	***KD 000's***	*KD 000's*
Profit for the period	**17,627**	930,859	**54,856**	992,759
Other comprehensive (loss) income:				
Items that are or may be reclassified to consolidated statement of income in subsequent periods:				
Foreign currency translation adjustments	**(87,666)**	(23,019)	**(163,202)**	(38,682)
Exchange differences on disposal of discontinued operations	-	28,053	-	28,053
Share of other comprehensive income of associates and joint ventures	**354**	162	**1,173**	573
Gain (loss) on hedge of net investments	**5,766**	(2,557)	**590**	2,651
Gain on cash flow hedges	**7,024**	3,252	**21,743**	6,322
Net other comprehensive (loss) income that are or may be reclassified to consolidated statement of income in subsequent periods	**(74,522)**	5,891	**(139,696)**	(1,083)
Items that will not be reclassified to the consolidated statement of income:				
Changes in fair value of financial assets at fair value through other comprehensive income	**(57,483)**	(46,839)	**(512,465)**	(45,078)
Re-measurement gain on defined benefit plans	-	2,517	-	2,517
Net other comprehensive loss that will not be reclassified to consolidated statement of income	**(57,483)**	(44,322)	**(512,465)**	(42,561)
Total other comprehensive loss	**(132,005)**	(38,431)	**(652,161)**	(43,644)
Total comprehensive (loss) income for the period	**(114,378)**	892,428	**(597,305)**	949,115
Attributable to:				
Equity holders of the Parent Company	**(119,623)**	889,046	**(611,233)**	935,601
Non-controlling interests	**5,245**	3,382	**13,928**	13,514
	(114,378)	892,428	**(597,305)**	949,115

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2022 (Unaudited)

	Note	*Nine months ended 30 September* **2022** ***KD 000's***	*2021* *KD 000's*
OPERATING ACTIVITIES			
Profit before taxation and Directors' remuneration from continuing operations		**62,175**	45,154
Profit before taxation and Directors' remuneration from discontinued operations	16	-	973,695
Profit before taxation and Director's remuneration		**62,175**	1,018,849
Adjustments for:			
Expected credit losses on trade receivables		**(3,690)**	1,008
Provision for employees' end of service benefits		**5,095**	8,396
Foreign currency exchange gain		**(2,182)**	(1,231)
Gain on sale of discontinued operations		-	(904,146)
Share of results of associates and joint ventures		**1,725**	(1,881)
Revaluation loss on financial assets at fair value through profit or loss		**5,410**	10,665
Dividend income		**(4,774)**	-
Miscellaneous income		**(3,016)**	(8,644)
Depreciation of property, plant and equipment and right-of-use assets		**31,338**	50,949
Amortisation		**3,476**	3,650
Interest income		**(521)**	(373)
Finance costs		**20,298**	17,861
Operating profit before changes in working capital		**115,334**	195,103
Inventories		**(22,279)**	(2,428)
Trade receivables		**(15,503)**	(78,822)
Other current assets		**(10,072)**	(8,136)
Trade and other payables		**(12,669)**	45,668
		54,811	151,385
Taxation paid		**(6,404)**	(13,115)
Employees' end of service benefits paid		**(2,199)**	(11,193)
Directors' remuneration paid		**(350)**	(140)
Net cash flows from operating activities		**45,858**	126,937
INVESTING ACTIVITIES			
Net movement in financial assets at fair value through profit or loss		**537**	9,383
Net movement in financial assets at fair value through other comprehensive income		**(59,934)**	(12,797)
Additions to property, plant and equipment		**(17,052)**	(28,926)
Proceeds from disposal of property, plant and equipment		**7,205**	1,775
Loans to related parties		**(17,085)**	(39,314)
Additions to intangible assets		-	(5)
Additions to projects in progress		**(7,398)**	(6,343)
Additions to investment properties		**(9,840)**	(10,636)
Dividends received		**6,446**	1,046
Acquisition of additional interest in a subsidiary		-	(117)
Acquisition of subsidiaries, net of cash acquired		**(182,108)**	(565)
Cash outflow on disposal of discontinued operations		-	(95,128)
Interest income received		**2,450**	352
Net movement in deposits with original maturities exceeding three months		**18,054**	(10)
Net cash flows used in investing activities		**(258,725)**	(181,285)
FINANCING ACTIVITIES			
Net movement in interest bearing loans		**349,181**	48,574
Payment of lease obligations		**(21,136)**	(32,610)
Proceeds on sale of treasury shares		**21,081**	-
Finance cost paid		**(15,356)**	(13,303)
Dividends paid to equity holders of the Parent Company		**(41,546)**	(18,914)
Dividends paid to non-controlling interests		**(14,972)**	(9,970)
Net cash flows from (used in) financing activities		**277,252**	(26,223)
Net foreign exchange differences		**(219)**	(871)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**64,166**	(81,442)
Cash and cash equivalents at 1 January		**74,036**	168,896
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	6	**138,202**	87,454

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2022 (Unaudited)

	Attributable to equity holders of the Parent Company												
	Share capital KD 000's	*Share premium KD 000's*	*Statutory reserve KD 000's*	*Treasury shares KD 000's*	*Treasury shares reserve KD 000's*	*Foreign currency translation reserve KD 000's*	*Hedging reserve KD 000's*	*Investment revaluation reserve KD 000's*	*Other reserves KD 000's*	*Retained earnings KD 000's*	*Sub total KD 000's*	*Non-controlling interests KD 000's*	*Total equity KD 000's*
As at 1 January 2022	223,011	152,650	188,450	(49,239)	44,366	(84,486)	(12,873)	(57,372)	34,464	1,573,610	2,012,581	46,510	2,059,091
Profit for the period	-	-	-	-	-	-	-	-	-	41,393	41,393	13,463	54,856
Other comprehensive (loss) income	-	-	-	-	-	(163,667)	23,506	(512,465)	-	-	(652,626)	465	(652,161)
Total comprehensive (loss) income for the period	-	-	-	-	-	(163,667)	23,506	(512,465)	-	41,393	(611,233)	13,928	(597,305)
Sale of treasury shares	-	-	-	8,678	12,403	-	-	-	-	-	21,081	-	21,081
Transfer of fair value reserve on disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	4,202	-	(4,202)	-	-	-
Dividends (Note 13)	-	-	-	-	-	-	-	-	-	(42,099)	(42,099)	-	(42,099)
Issue of bonus shares (Note 13)	44,602	-	-	-	-	-	-	-	-	(44,602)	-	-	-
Dividends to non-controlling Interests	-	-	-	-	-	-	-	-	-	-	-	(15,445)	(15,445)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	78,511	78,511
As at 30 September 2022	**267,613**	**152,650**	**188,450**	**(40,561)**	**56,769**	**(248,153)**	**10,633**	**(565,635)**	**34,464**	**1,524,100**	**1,380,330**	**123,504**	**1,503,834**
As at 1 January 2021	202,737	152,650	89,731	(49,239)	44,366	(37,727)	(23,171)	(2,490)	5,288	760,861	1,143,006	48,175	1,191,181
Profit for the period	-	-	-	-	-	-	-	-	-	978,072	978,072	14,687	992,759
Other comprehensive (loss) income	-	-	-	-	-	(9,456)	9,546	(45,078)	2,517	-	(42,471)	(1,173)	(43,644)
Total comprehensive (loss) income for the period	-	-	-	-	-	(9,456)	9,546	(45,078)	2,517	978,072	935,601	13,514	949,115
Dividends (Note 13)	-	-	-	-	-	-	-	-	-	(19,135)	(19,135)	-	(19,135)
Issue of bonus shares (Note 13)	20,274	-	-	-	-	-	-	-	-	(20,274)	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(10,349)	(10,349)
Disposal of discontinued operations	-	-	-	-	-	-	-	-	26,548	(26,548)	-	(10,536)	(10,536)
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	-	111	-	111	(111)	-
As at 30 September 2021	223,011	152,650	89,731	(49,239)	44,366	(47,183)	(13,625)	(47,568)	34,464	1,672,976	2,059,583	40,693	2,100,276

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

Agility Public Warehousing Company K.S.C.P. (the “Parent Company”) is a Kuwaiti shareholding company incorporated in 1979 and listed on Boursa Kuwait and Dubai Stock Exchange. The address of the Parent Company’s Head office is Sulaibia, beside Land Customs Clearing Area, P.O. Box 25418, Safat 13115, Kuwait. The Group operates under the brand name of “Agility”.

The interim condensed consolidated financial information of the Parent Company and its subsidiaries (collectively, the “Group”) was authorised for issue by the Board of Directors on 14 November 2022.

The main objectives of the Parent Company are as follows:
- Construction, management and renting of all types of warehouses.
- Warehousing goods under customs' supervision inside and outside customs areas.
- Investing the surplus funds in investment portfolios.
- Participating in, acquiring or taking over companies of similar activities or those that would facilitate achieving the Parent Company's objectives inside or outside Kuwait.
- All types of transportation, distribution, handling and customs clearance for goods.
- Customs consulting, customs automation, modernisation and decision support.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

The interim condensed consolidated financial information does not include all of the information and disclosures required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021. In the opinion of management, all adjustments considered necessary for a fair presentation have been included in the interim condensed consolidated financial information. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2022.

Certain prior period amounts do not correspond with the 2021 interim condensed consolidated financial information and reflect reclassifications to conform to the current period presentation. These reclassifications do not affect previously reported assets, liabilities, equity and profit for the period.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial information of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (continued)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (continued)
The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no onerous contracts outstanding within the scope of these amendments arisen during the period.

Reference to the Conceptual Framework – Amendments to IFRS 3
The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it is not a first-time adopter.

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 impact on the interim condensed consolidated financial information of the Group as there were no modifications of the Group's financial instruments during the period.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2022 KD 000's	*(Audited) 31 December 2021 KD 000's*	*30 September 2021 KD 000's*
Investment in an associate - outside Kuwait (Note 12)	**112,580**	109,293	108,687
Quoted equity securities – outside Kuwait	**4,825**	10,112	13,970
Convertible loan – outside Kuwait	**-**	4,539	607
Unquoted equity securities - in Kuwait	**21**	21	21
Investment in funds - outside Kuwait	**800**	1,289	1,748
	118,226	125,254	125,033

During the year ended 31 December 2011, the Group (through its wholly owned subsidiary, a Venture Capital Organisation) jointly with France Telecom acquired 44% equity interest in Korek Telecom L.L.C. ("Korek Telecom"), a limited liability company incorporated in Iraq, via a joint company owned 54% by the Group and 46% by France Telecom. As a result, the Group owns 23.7% indirect interest in Korek Telecom.

The investment in Korek Telecom has been classified as an investment in an associate as the Group exercises significant influence over financial and operating policies of Korek Telecom. As this associate is held as part of Venture Capital Organization's investment portfolio, it is carried in the interim condensed consolidated statement of financial position at fair value. This treatment is permitted by IAS 28 "Investment in Associates and Joint Ventures" which allows investments held by Venture Capital Organisations to be accounted for at fair value through profit and loss in accordance with IFRS 9, with changes in fair value recognised in the interim condensed consolidated statement of income in the period of change.

As at 30 September 2022, interest bearing loan provided by the Group to Korek Telecom amounted to KD 36,098 thousand (31 December 2021: KD 35,169 thousand and 30 September 2021: KD 35,015 thousand) (Note 12).

Korek Litigation
In February 2017, the Group filed a request for arbitration against the Republic of Iraq pursuant to Article 36 of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States ("ICSID"), and Article 10 of the Agreement between the Government of the State of Kuwait and the Government of the Republic of Iraq for Reciprocal Promotion and Protection of Investments (the "2015 BIT"). The arbitral claim arises from a series of actions and inactions of the Iraqi government, including its regulatory agency Communications & Media Commission ("CMC") relating to an alleged decision by the CMC to annul the previous written consent granted in connection with the Group's investment in Korek Telecom, as well as the CMC's order to transfer the shares acquired by the Group back to the original Iraqi shareholders (which was implemented in March 2019). Without limitation, the Group's claims relate to Iraq's failure to treat the Group's investment of over USD 380 million fairly and equitably, its failure to accord the Group with due process, as well as the indirect expropriation of that investment, each in breach of the 2015 BIT. On 24 February 2017, the Group's request for arbitration was formally registered with ICSID. The arbitration tribunal was formally constituted on 20 December 2017 and an initial procedural hearing was held on 31 January 2018.

The Group's memorial was submitted on 30 April 2018. On 6 August 2018, Iraq submitted objections to jurisdiction and requested that they be determined as a preliminary matter before the case proceeds further on the merits. The tribunal bifurcated the proceedings on 31 October 2018 and the Group submitted its counter-memorial on jurisdiction on 10 January 2019. The reply of the respondents was submitted on 25 February 2019 and the Group's rejoinder was submitted on 21 March 2019. The hearings were held on 24 and 25 April 2019. On 9 July 2019, the tribunal issued its decision on jurisdiction in which it found that it had jurisdiction over certain (but not all) of the Group's claims. The case will now go forward on the merits of the claims over which the tribunal has jurisdiction. The Respondent's counter-memorial was submitted on 13 March 2020. The Group's Reply to Respondent's Counter-Memorial was submitted on 17 July 2020. The hearings on the merits were held in October 2020, and post-hearing submissions were submitted in November 2020.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Korek Litigation (continued)
On 22 February 2021, the tribunal issued its ruling, dismissing all of the Group's claims and awarding costs of approximately USD 5 million in favor of the respondent. On 28 May 2021, the Group filed an application to annul the award with ICSID which was formally registered on 4 June 2021. On 22 September 2021, ICSID constituted a committee to adjudicate the Group's application to annul the award. The committee convened on 22 November, 2021 and issued a procedural timetable for the proceedings on 24 November 2021. In accordance with the procedural timetable, the Group submitted its Memorial on 22 December 2021. Iraq's Counter-Memorial was submitted on 22 April 2022. The hearings are now scheduled for 15 and 16 November 2022.

As the tribunal refused to address the merits of the regulatory decision itself as issued by the CMC expropriating the Group's investment in Korek, claiming lack of jurisdiction, the Group prepared a fresh claim against the Republic of Iraq.

On 31 May 2021, Alcazar Capital Limited (“Alcazar"), a subsidiary of the Group, filed a claim in Kuwait against the Kurdistan Regional Government, a political subdivision of the Government of Iraq, under the terms of a sovereign guarantee in respect of the Group's investment. On 24 January 2022, the Court of First Instance dismissed Alcazar's claims on the basis that, among other things, Alcazar had failed to prove that it had extended the USD 250 million loan to Korek over which it was seeking damages under the sovereign guarantee. On 16 February 2022, Alcazar appealed the judgment to the Kuwait Court of Appeal. On 19 April 2022 the Court of Appeal issued a judgment in favor of Alcazar awarding damages of USD 490 million against the Kurdistan Regional Government, together with interest of 7% p.a. up to the date of satisfaction of the amount. The Group is now in the process of enforcing this award.

As the dispute remains pending without legal resolution and in the absence of clarity, the financial impact of this case cannot be assessed.

In conjunction with the foregoing claims related to Korek Telecom, Iraq Telecom Limited (“IT Ltd.”) (in which the Group holds an indirect 54% stake) commenced the following proceedings:

- *Shareholders Agreement Arbitration*

On 4 June 2018, IT Ltd. commenced ICC arbitration proceedings against Korek International (Management) Ltd (“CS Ltd”) and Mr. Sirwan Saber Mustafa. The dispute is in relation to various contractual breaches by the respondents under a shareholders’ agreement relating to the Parent Company’s investment in Korek Telecom. The amount in dispute is to be determined during the course of the proceedings.

The request for arbitration was submitted on 4 June 2018, and the respondents’ reply was submitted on 10 September 2018. IT Ltd. filed an amended request for arbitration on 15 January 2019 and the tribunal was constituted on 29 March 2019. IT Ltd’s Statement of Claim was submitted on 28 August 2019 and CS Ltd’s Statement of Defense was submitted on 22 January 2020. On 10 July 2020, IT Ltd. discontinued the proceedings on a without prejudice basis.

New proceedings were commenced with similar claims were nonetheless filed by IT Ltd., both for itself and on behalf of International Holdings Ltd (“IH”). and Korek Telecom, against CS Ltd. and Mr. Sirwan Saber Mustafa. On 25 August 2020, IT Ltd. filed its second amended (and current) request for arbitration for itself and in the name and on behalf of International Holdings Ltd. The tribunal has been constituted, and IT Ltd.'s application to pursue derivative claims on behalf of International Holdings Ltd. and Korek Telecom was submitted in December 2020.

The tribunal held a preliminary hearing in February 2021 to adjudicate IT Ltd.’s application to bring derivative claims on behalf of International Holdings Ltd (including whether the tribunal has jurisdiction over such an application). By order dated 16 March 2021, the Tribunal granted IT Ltd. permission to file most of the derivative claims at issue. On 23 April 2021, IT Ltd. submitted its Statement of Claim on the merits. The parties held hearings on the merits between 8 and 16 May 2022. Further hearings occurred on 2 and 3 August 2022. The Tribunal is now expected to deliberate and issue its final award in a few months.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Korek Litigation (continued)

- *IBL Subordination Agreement Arbitration: Arbitration proceedings against IBL Bank SAL, Korek Telecom and International Holdings Ltd.*

The dispute is in relation to alleged fraud orchestrated by certain Korek Telecom stakeholders with the knowledge and cooperation of IBL Bank in connection with a subordination agreement relating to a USD 150 million loan extended by IBL Bank to Korek Telecom. The amount in dispute is to be determined during the course of the proceedings. The request for arbitration was submitted on 26 June 2018, and the respondents' reply and counter-claim was submitted on 8 October 2018. The counterclaim seeks damages for losses (still unquantified) allegedly suffered by the respondents in relation to their reputation and good standing. IBL's answer and counterclaim was submitted on 8 November 2018. Korek's and IH's answer was submitted on 14 December 2018. The tribunal was constituted on 15 May 2019. IT Ltd.'s Statement of Claim was submitted on 22 November 2019, and respondents' Statements of Defense were submitted on 21 February 2020. IT Ltd.'s Reply was filed on 22 July 2020. IBL's Rejoinder and Reply to Defence to Counterclaim and IH/Korek's Rejoinder were filed on 23 October 2020. The hearings were convened in February 2021.

On September 24, 2021, the Tribunal issued its award granting in full IT Ltd.'s claim to render as null and void the subordination agreement relating to the USD 150 million loan extended by IBL Bank to Korek Telecom. The Tribunal agreed with IT Ltd. that all of the respondents, including IBL Bank, had engaged in a deliberate and intentional deception of IT Ltd. The counterclaims of the respondents were rejected in their entirety. In addition to the avoidance of the subordination agreement, IT Ltd. was awarded legal costs in the amount of US 3 million.

As a result of this award, on 12 November 2021, IT Ltd. filed a Request for Arbitration against Korek Telecom, in order to enforce its debt claim of more than USD 285 million (plus default interest) bringing the total claim to USD 1 billion, against IH, as debtor, and Korek Telecom, as guarantor. Korek Telecom filed its reply on 24 January 2022. On 17 June 2022, Korek Telecom filed a request to stay the proceedings pending adjudication of its application before the Lebanese courts to annul the arbitral award invalidating the Subordination Agreement. On 1 July 2022, IT Ltd. filed its response to Korek Telecom's motion to stay. On 15 July 2022, Korek Telecom filed its Reply in support of its motion to stay. On 29 July 2022, IT Ltd. filed its Rejoinder to Korek Telecom's motion to stay. The hearing of the stay application occurred on 17 August 2022 and Korek Telecom's stay application was dismissed by the Tribunal on 22 August 2022. The first Procedural order was issued on 9 September 2022. IT Ltd. filed its Statement of Claim on 9 September 2022. Korek Telecom's Defense was due on 3 November 2022, which was extended by agreement by two weeks.

Separately as well, IT Ltd. filed a Request for Arbitration against IBL Bank on 7 January 2022, seeking damages for the fraud that was adjudicated in the previous arbitration. IBL Bank's Reply was submitted on 7 April 2022. The tribunal was constituted on 20 July 2022, and the Tribunal has scheduled a Case Management Conference in the arbitration for 3 November 2022 in order to set the timetable for the proceedings. In its answer to the request for arbitration, IBL made a stay application. IT Ltd. filed a responsive submission on 23 September 2022. IBL filed a reply submission on 10 October 2022. A decision on the stay application is pending.

- *DIFC Director Claims*

On 12 March 2018 IT Ltd. commenced proceedings in the courts of the Dubai International Financial Centre ("DIFC") against Raymond Zina Rahmeh. The claim alleges breach of the defendant's duties as directors of International Holdings and also alleges multiple instances of self-dealing. Mr. Rahmeh was validly served with the claim in CFI-019-2018 in Lebanon on 6 February 2020 and a certificate of service was issued by the DIFC Court on 13 February 2020.

Permission for IT to bring the derivative claim for and on behalf of IH against Mr. Rahmeh was granted by the DIFC Court on 11 May 2020, subject to the condition that IT is to file a schedule of breach, loss and causation (which has been done). Efforts were made to serve Mr. Rahmeh with the Schedule of Particulars and other recent documents via diplomatic service, but ultimately failed. Per the orders of the Court, the Schedule of Particulars must be served before further steps are taken in the proceedings. IT Ltd therefore applied for and was granted on 17 Jun 2021 permission to serve Mr. Rahmeh with the Schedule of Particulars and other documents by alternative means (e.g. email and courier to various affiliates of Mr. Rahmeh). Service by the alternative methods was effected, and, subsequently, on December 16, 2021, a judgment against Mr. Rahmeh was issued in the amount of USD 71.3 million plus costs and interest. On 27 December 2021, the DIFC court granted permission for the judgement to be served on Mr. Rahmeh by way of alternate service. Alternative service was effected, and IT is now in the process of enforcing the judgement sum plus costs.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Korek Litigation (continued)

- *DIFC Director Claims (continued)*

Separately, on 5 September 2017, Modern Global Company for General Trading of Equipment, Supplier for Construction and Real Estate WLL (a wholly owned subsidiary of the Parent Company) commenced arbitration proceedings against Korek Telecom in relation to Korek's alleged failure to pay servicing fees due to Modern Global under a services agreement. On 20 March 2019, Modern Global was awarded its full claim, interest and legal costs, amounting to approximately USD 4.5 million. The Group is currently in the process of enforcing the award against Korek Telecom. As part of the enforcement process, Modern Global sought leave to make alternative service on Korek. A hearing before the DIFC Court regarding the grant of alternative service was convened on 9 February 2021. The DIFC Court issued its judgment on 9 May 2021 pursuant to which Modern Global was wholly successful on the appeal. Consequently, Modern Global is now taking active steps to enforce the USD 5 million award against Korek in the UAE and Iraq. In April 2022, an amount of approximately USD 1.1 million was obtained from certain Korek assets in the United Arab Emirates. Enforcement efforts remain ongoing.

As a result of the ongoing litigation relating to Korek, the Group's management was unable to determine the fair value of this investment and the recoverability of interest bearing loan as at 30 September 2022, 31 December 2021 and 30 September 2021. Accordingly, the investment is carried at its fair value as at 31 December 2013 of USD 359 million equivalent to KD 112,580 thousand (31 December 2021: KD 109,293 thousand and 30 September 2021: KD 108,687 thousand).

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2022 KD 000's	*(Audited) 31 December 2021 KD 000's*	*30 September 2021 KD 000's*
Quoted equity securities - outside Kuwait	**697,390**	1,370,796	1,422,845
Unquoted equity securities:			
- In Kuwait	**2,871**	2,798	2,786
- Outside Kuwait	**38,404**	24,265	13,845
	738,665	1,397,859	1,439,476

6 BANK BALANCES, CASH AND DEPOSITS

	30 September 2022 KD 000's	*(Audited) 31 December 2021 KD 000's*	*30 September 2021 KD 000's*
Cash at banks and on hand	**130,902**	71,097	65,649
Short term deposits	**7,300**	2,939	21,805
Cash and cash equivalents	**138,202**	74,036	87,454
Deposits with original maturities exceeding 3 months	**7,033**	25,087	1,155
	145,235	99,123	88,609

Short term deposits are placed for varying periods, depending on the immediate cash requirements of the Group and earn interest at the respective short term deposit rates.

7 TREASURY SHARES

	30 September 2022	*(Audited) 31 December 2021*	*30 September 2021*
Number of treasury shares	**123,786,106**	125,220,262	125,213,759
Percentage of issued shares	**4.63%**	5.61%	5.61%
Market value in KD 000's	**82,689**	118,333	123,336

8 REVENUE FROM CONTRACTS WITH CUSTOMERS

The following presents the disaggregation of the Group's revenue from contracts with customers:

	Three months ended 30 September		*Nine months ended 30 September*	
	2022 KD 000's	*2021 KD 000's*	***2022 KD 000's***	*2021 KD 000's*
Logistics services	**81,649**	59,899	**205,224**	161,307
Rent	**20,432**	16,645	**59,880**	49,581
Ground handling and airport services	**105,784**	14,392	**139,609**	38,925
Others	**48,455**	33,551	**122,142**	94,848
	256,320	124,487	**526,855**	344,661
Timing of revenue recognition				
Goods and services transferred at a point in time	**218,294**	95,601	**419,640**	258,919
Goods and services transferred over time	**38,026**	28,886	**107,215**	85,742
Total revenue from contracts with customers	**256,320**	124,487	**526,855**	344,661
Geographical markets				
Middle East	**97,213**	82,343	**270,992**	233,480
Africa	**57,325**	30,199	**128,060**	81,797
America	**44,075**	2,565	**53,370**	6,091
Europe	**42,447**	7,505	**55,558**	17,941
Asia	**15,260**	1,875	**18,875**	5,352
Total revenue from contracts with customers	**256,320**	124,487	**526,855**	344,661

9 TAXATION

	Three months ended 30 September		*Nine months ended 30 September*	
	2022 KD 000's	*2021 KD 000's*	***2022 KD 000's***	*2021 KD 000's*
National labour support tax (NLST)	**332**	766	**1,091**	2,111
Contribution to Kuwait Foundation for the advancement of Sciences (KFAS)	**160**	216	**527**	844
Zakat	**160**	216	**529**	575
Taxation on overseas subsidiaries	**2,742**	892	**4,909**	2,371
	3,394	2,090	**7,056**	5,901

10 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing profit for the period attributable to equity holders of the Parent Company by the weighted average number of outstanding shares during the period as follows:

	Three months ended 30 September		*Nine months ended 30 September*	
	2022	*2021 (Restated)**	***2022***	*2021 (Restated)**
Profit for the period from continuing operations attributable to equity holders of the Parent Company (KD 000's)	**12,573**	8,479	**41,393**	25,281
Profit for the period from discontinued operations attributable to equity holders of the Parent Company (KD 000's)	**-**	918,382	**-**	952,791
	12,573	926,861	**41,393**	978,072
	Shares	*Shares*	***Shares***	*Shares*
Number of paid up shares	**2,676,128,586**	2,676,128,586	**2,676,128,586**	2,676,128,586
Weighted average number of treasury shares	**(136,782,281)**	(150,269,349)	**(145,724,257)**	(150,269,349)
Weighted average number of outstanding shares	**2,539,346,305**	2,525,859,237	**2,530,404,329**	2,525,859,237
Basic and diluted earnings per share attributable to equity holders of the Parent Company (fils):				
Continuing operations	**4.95**	3.36	**16.36**	10.01
Discontinued operations	**-**	363.59	**-**	377.21
Basic and diluted earnings per share attributable to equity holders of the Parent Company (fils):	**4.95**	366.95	**16.36**	387.22

* Basic and diluted earnings per share for the comparative period presented have been restated to reflect the adjustment of bonus shares following the bonus issue relating to year ended 31 December 2021 (Note 13).

As there are no outstanding dilutive instruments, the basic and diluted earnings per share are identical.

11 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has contingent liabilities and capital commitments at the reporting date as follows:

	30 September 2022 KD 000's	*(Audited) 31 December 2021 KD 000's*	*30 September 2021 KD 000's*
Letters of guarantee*	**160,519**	144,599	127,814
Operating lease commitments	**751**	3,379	1,485
Capital commitments	**35,050**	31,850	18,608
	196,320	179,828	147,907

*Included in letters of guarantee are bank guarantees of KD 30,651 thousand (31 December 2021: KD 30,651 thousand and 30 September 2021: KD 30,651 thousand), provided by a bank on behalf of the subsidiary "Global Clearing House Systems K.S.C. (Closed)" to the General Administration of Customs in the State of Kuwait. These guarantees are issued by the bank on a non-recourse basis to the Group.

11 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (continued)

The Group (Parent Company along with its subsidiary UPAC) and a related party are part of an arrangement to construct and develop a commercial mall in UAE (“project). The Group currently has an equity interest of 19.87% (31 December 2021: 19.87% and 30 September 2021: 19.87% %) and has also extended interest bearing loan facilities to the project (Note 12), . Further, the Parent Company provided an undertaking for the completion of the mall within an agreed time frame.

The Group (Parent Company along with its subsidiaries) provided corporate guarantees amounting to KD 158,180 thousand (31 December 2021: KD 97,106 thousand and 30 September 2021: KD 38,630 thousand).

Legal claims

(a) PCO Contract

From 2004 through 2008, the Parent Company performed a PCO Contract, which was a cost-plus-fixed-fee contract with the Coalition Provisional Authority (“CPA”) for logistics services supporting reconstruction in Iraq, including warehousing, convoys and security.

On 23 April 2011, the Parent Company submitted a Certified Claim for approximately USD 47 million that the US Government owes the Parent Company in connection with the PCO Contract. The Contracting Officer denied the Parent Company’s Certified Claim on 15 December 2011, and the Parent Company appealed the denial to the Armed Services Board of Contract Appeals (“ASBCA”). Separately, the US Government had claimed that the Parent Company owed USD 80 million in connection with the PCO Contract and sought repayment of the same. The Parent Company appealed the US Government’s demand for repayment to the ASBCA and the appeals were consolidated.

On 26 August 2013, the US Government moved to dismiss the ASBCA appeals for lack of jurisdiction. The ASBCA granted the US Government’s motion to dismiss on 9 December 2014. The Parent Company appealed to the U.S. Court of Appeals for the Federal Circuit on 8 April 2015. On 16 April 2018, a panel of the Federal Circuit affirmed the ASBCA’s decision dismissing the Parent Company’s appeals for lack of jurisdiction.

Following the Federal Circuit decision, on 21 September 2018, the Parent Company filed an amended complaint in a pending matter involving the PCO Contract in the Court of Federal Claims (“COFC”), seeking, among other things, a return of USD 17 million previously offset by the US Government (described further below), as well as a declaratory judgment that the US Government may not withhold amounts legally owed by the US Government to the Parent Company based on the Parent Company’s purported debt under the PCO Contract. This matter was consolidated with the DDKS matter as detailed below.

As referenced above, the US Government offset USD 17 million from another contract held by the Parent Company (the DDKS contract), in connection with its purported claim related to the PCO contract (the “DDKS offset”). On 3 July 2017, the Parent Company submitted a Certified Claim under the DDKS contract, seeking payment of the DDKS offset plus interest. In a letter, on 1 September 2017, the Contracting Officer notified the Parent Company that she was holding its Certified Claim in abeyance. Following the Federal Circuit decision discussed above, the Parent Company filed a complaint seeking the return of the DDKS offset plus interest (the “DDKS Matter”).

On 21 September 2018, the Parent Company filed an amended complaint in the DDKS Matter. On 3 December 2018, the Parent Company filed a Motion for Judgment on the Pleadings, as well as a motion to consolidate the DDKS matter with the still-pending COFC matter described above. On 6 December 2018, the court granted the Parent Company’s motion to consolidate. On 17 December 2018, the US Government filed a Motion to Dismiss in the DDKS matter. On 28 December 2018, the Parent Company filed its reply to the US Government’s motion. The reply of the US Government was filed on 14 February 2019 and a hearing was held on 28 February 2019. On 9 May 2019, the Court of Federal Claims issued an opinion granting judgment for the US Government in the amended PCO complaint and dismissed the DDKS Matter for lack of jurisdiction. The Parent Company appealed both decisions to the Federal Circuit on 14 May 2019, which the court then consolidated. The briefing of the appeal was completed on 16 September 2019 and the oral argument was heard on 5 February 2020.

On 12 August 2020, the Federal Circuit issued an opinion remanding the PCO complaint to the Court of Federal Claims for an evaluation of the merits of the US Government’s offset determination as well as a determination of whether proper procedures were followed as required by law.

11 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (continued)

Legal claims (continued)

(a) PCO Contract (continued)

On 31 August 2020, Agility sought panel rehearing on a minor, technical point, which the panel denied. On 18 September 2020, the US Government filed a motion seeking an extension of time to file a combined petition for panel rehearing and rehearing en banc until 12 November 2020. The Court granted that motion on 21 September 2020.

The US Government ultimately did not file a petition for panel rehearing or rehearing by 12 November 2020, and the following week, on 19 November 2020, the Federal Circuit issued the mandate remanding the matter to the Court of Federal Claims.

Once the matter was remanded to the Court of Federal Claims, the case was reassigned to a new judge who set a status conference for 17 December 2020. Prior to the status conference, counsel for the US Government reached out to counsel for the Parent Company to discuss a potential settlement in light of the remand from the Federal Circuit. Based on the conversation, the parties entered a joint status report requesting that the court stay the matter while the parties explore the possibility of a settlement. On 14 December 2020, the court granted the parties' request and ordered the matter be stayed until 17 May 2021. For the same reason, the parties filed a stipulation to continue the stay on 17 May 2021. The court granted the parties' request, and, pursuant to various extensions granted by the Court, the matter was stayed. On 23 August 2022, the parties executed a settlement agreement. As a result of the settlement, there would be an elimination and waiver by the US Government of its debt claim against the Parent Company of USD 81 million (equal to KD 24.5 million) as well as the waiver and elimination of the Parent Company's claim against the US Government under the PCO Contract and payment of USD17.7 million (equal to KD 5.3 million) by the US Government to the Parent Company under the DDKS Contract. The parties informed the Court of this development on 29 August 2022, and the court further stayed the matter until 31 October 2022, on which date the parties jointly stipulated to dismiss the case with prejudice.

Additionally, on 14 September 2016, the Group filed a PCO related lawsuit under the administrative procedure Act in the U.S District court for the district of Columbia ("DDC"). This matter remains stayed as per the Court's 14 May 2021 Minute Order, which stayed the matter pending resolution of the related proceedings before the court of Federal Claims. On 26 August 2022, the parties filed a joint stipulation to dismiss the case with prejudice, and the court ordered the case closed in September. As a result of the above developments, no further adjustments are required to be recognized in the interim condensed consolidated financial information.

(b) Guarantee encashment

A resolution was issued by the General Administration of Customs for Kuwait ("GAC") to cash a portion, amounting to KD 10,092 thousand of the bank guarantee submitted by Global Clearing House Systems K.S.C. (Closed) ("GCS"), a subsidiary of the Parent Company, in favour of GAC in relation to performance of a contract. Pursuant to this resolution, GAC called the above guarantee during the year ended 31 December 2007.

GCS appealed the above resolution at the Court of First Instance and the latter issued its judgment in favour of GCS and ordered GAC to pay an amount of KD 58,927 thousand as compensation against the non-performance of its obligations under the contract, and KD 9,138 thousand towards refunding of the guarantee encashed earlier, together with an interest of 7% per annum on these amounts to be calculated from the date the judgment becomes final.

GCS appealed the judgment before the Court of Appeal requesting an increase in compensation. GAC also filed an appeal No. 1955 / 2014 Administrative 4 before the Court of Appeal. On 13 September 2015, the Court of Appeal pronounced its judgement affirming the decision of the Court of First Instance. Both GCS and GAC appealed against this ruling before the Kuwait Court of Cassation in appeals No. 148, 1487 for the year 2015. On 15 March 2017, the Court of Cassation resolved to defer the appeal to the experts. On 7 May 2018, the experts committee issued a report affirming GCS's right for the claimed compensation.

On 11 May 2022, this matter was finally resolved with the issuance of this judgment in respect of Appeals Nos. 1955 and 1923 for year 2014, Administrative/4 by the Court of Cassation, where the court ordered the GAC to refund an amount of KD 5,561 thousand to GCS out of the original amount of encashed guarantee. The said appeals resolved, otherwise, to uphold the appealed judgment, which ordered the second defendant, "the Director General of the General Administration of Customs in his capacity," to pay to the plaintiff "GCS" an amount of KD 58,927 thousand in addition to the legal interest of 7% annually on both amounts from the date this judgment becomes final.

11 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (continued)

Legal claims (continued)

(b) Guarantee encashment (continued)

The management of GCS is currently engaged in negotiations with GAC to conclude this in the best interest of shareholders of GCS and accordingly the Parent Company and GCS have decided not to recognize any adjustments in the interim condensed consolidated financial information to reflect the above judgement pending the outcome of the negotiations.

(c) Legal cases with GAC - Appeals no. 1927 and 1933 for the year 2018

Further, in respect of an ongoing dispute between GCS and GAC on which there were claims filed by both parties against each other relating to project management mechanisms in the ports, GCS filed Case No. 760/2014 Administrative/6 against the GAC requesting the delegation of experts from the Ministry of Justice to view the IT system at the GAC to indicate the amount of vehicle handling fees. GAC filed a counterclaim requesting that GCS complies with the price list attached to the auction contract and not to increase or decrease the prices vis-à-vis the GAC or the public.

GAC also filed case No. 4242/2014 Administrative/6 against GCS with a request to establish a project mechanism development fund, for GCS to pay the customs an amount of KD 500 thousand for developing project mechanisms at customs ports on a periodic basis, obliging GCS to pay the customs an amount of KD 21,242 thousand for the fines owed by GCS as of 9 February 2005, as well as an amount of KD 50 thousand for the annual allocation to the fund.

GAC also filed several lawsuits that were included in the case filed by GCS, and these cases are Case No. 4246/2014 Administrative/6 against GCS requesting it to pay the customs an amount of KD 1,805 thousand as differential payments due for the project manager’s fees from August 2006 to August 2011, obliging the company to pay the customs an amount of KD 2,025 thousand as differences due to the project manager’s fees for the period from August 2011 to August 2014, obliging GCS to pay the customs an amount of KD 42,991 thousand for the differences due as of 9 February 2005 as a result of its failure to pay the project manager's fees, with a cumulative delay fine of 1% per week, and obliging GCS to make monthly payments due for the project manager's fees until the end of the contract.

Case No. 2738/2014 Administrative/6 against GCS with a request to oblige it to pay customs an amount of KD 5,853 thousand as differences in payments due for the project manager’s fees from August 2006 to October 2010 with a cumulative delay fine and legal interest at the rate of 7% annually; and Case No. 3276/2015 Administrative/6 filed by the Director General of the General Administration of Customs with the same requests under Case No. 4242/2014 Administrative/6; and Case No. 3280/2015 Administrative/6 filed by the Director General of the General Administration of Customs with the same requests contained in Case No. 4246/2014 Administrative/6.

All these cases were joined together to hand down a single judgment for all of them. On 25 September 2018, the judgment was issued dismissing all cases.

The judgment was appealed by both GCS and GAC under appeals No. 1927 and 1933/2018, Contracts Administration and Individual Appeals/2. On 26 September 2022 the court ruled, First: the litigation is ended in the first appeal, and the appellant company obliged to pay the expenses and KD 10 as attorney fees; Second: accepting the second appeal in form, and in substance, cancelling the appealed judgment with regard to what was included in its judgment under requests one to four, and oblige the appellee to set up the project development fund, subject of the Bidding Contract No. A/S.M./1/2004/2005, subject of the litigation, and pay the appealing administration an amount of KD 12,443 thousand, and rejecting the appeal and upholding the appealed judgment with respect to other requests.

GCS will appeal this judgment before the court of cassation, and the appeal will include a request for a stay of execution until the appeal is resolved. The parent company and GCS (after consulting the external counsel) have resolved not to record any provision in the interim condensed financial information pending final ruling by the court of cassation.

In addition to the above, there are other legal disputes between GCS and GAC. Both the parties have filed various claims and counter claims that are currently pending in the courts. The Group's in-house counsel believes that these matters will not have a material adverse effect on the Group's interim condensed consolidated financial information.

11 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (continued)

Legal claims (continued)
(c) Legal cases with GAC - Appeals no. 1927 and 1933 for the year 2018 (continued)
In addition to the above, the Group is involved in various incidental claims and legal proceedings. The legal counsel of the Group believes that these matters will not have a material adverse effect on the interim condensed consolidated financial information.

12 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities which they control or over which they exert significant influence. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions and balances with related parties are as follows:

	Major shareholders KD 000's	*Other related parties KD 000's*	*Nine months ended 30 September* ***2022 Total KD 000's***	*Nine months ended 30 September 2021 Total KD 000's*
Interim condensed consolidated statement of income				
Revenues	15	325	**340**	1,514
General and administrative expenses	(87)	-	**(87)**	(99)
Share of results of associates and joint ventures	(5,652)	3,927	**(1,725)**	1,881
Finance costs	-	(36)	**(36)**	(36)

	Major shareholders KD 000's	*Other related parties KD 000's*	***30 September 2022 Total KD 000's***	*(Audited) 31 December 2021 Total KD 000's*	*30 September 2021 Total KD 000's*
Interim condensed consolidated statement of financial position					
Investment in associates and joint ventures	21,940	127,315	**149,255**	105,920	103,750
Financial assets at fair value through profit or loss (Note 4)	-	112,580	**112,580**	109,293	108,687
Financial assets at fair value through other comprehensive income	-	3,803	**3,803**	-	-
Amounts due from related parties	327	1,252	**1,579**	1,426	1,421
Loans to related parties	-	172,953	**172,953**	155,692	178,380
Loan to an associate (Note 4)	-	36,098	**36,098**	35,169	35,015
Amounts due to related parties	466	6,487	**6,953**	4,547	4,611

Loans to related parties include KD 172,800 thousand (31 December 2021: KD 152,478 thousand and 30 September 2021: KD 175,227 thousand) provided to a joint venture representing amounts advanced by a subsidiary of the Group towards the construction and development of a Commercial Mall in UAE ("Project"). This amount bears compounded annual interest rates as per the loan agreement and can be converted to equity in the project on completion of construction subject to the project achieving certain operational targets and upon the discretion of the Group.

12 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Compensation of key management personnel
The remuneration of board of directors and other members of key management during the period were as follows:

	Three months ended 30 September		*Nine months ended 30 September*	
	2022 KD 000's	*2021 KD 000's*	***2022 KD 000's***	*2021 KD 000's*
Short-term benefits (key management)	**153**	382	**459**	1,147
Accrual for committees services (board of directors)	**88**	88	**264**	264
Accrual for remuneration to board of directors	**88**	35	**264**	105
	329	505	**987**	1,516

13 DIVIDEND, BONUS SHARES AND SHARE CAPITAL

The shareholders at the Annual General Meeting ("AGM") held on 16 May 2022 approved the consolidated financial statements for the year ended 31 December 2021 and the distribution of cash dividends of 20 fils per share (31 December 2020: 10 fils per share) and bonus shares of 20% (31 December 2020: 10%) for the year ended 31 December 2021. Dividends were entitled for shareholders registered on the settlement date 27 June 2022 and distributed on 29 June 2022.

During the current period and in accordance with the amendment to the memorandum and articles of association dated 6 June 2022, the authorised share capital of the Parent Company was increased by KD 100,000 thousand from KD 250,000 thousand to KD 350,000 thousand.

14 SEGMENT INFORMATION

The Group, following the disposal of its operating segment Global Integrated Logistics (GIL) in the previous year, reorganized its management reporting and has determined the following as its major operating segments effective 1 January 2022.

Controlled entities:
This segment comprises of business units that are controlled by the group and hence consolidated in its financial statements. The entities that are part of this segment provides services that include real estate, fuel logistics, airplane ground handling and cleaning services, cargo and lounge management, customs operations and management, construction and remote site services, customs consulting and waste recycling.

Investments:
The segment comprise of business units that holds the Group's non-controlling interests in various sectors. These investments comprises of both listed and unlisted equity securities and convertible loans.

14 SEGMENT INFORMATION (continued)

Nine months ended 30 September 2022	***Controlled entities KD 000's***	***Investments KD 000's***	***Adjustments and eliminations KD 000's***	***Total KD 000's***
Revenues				
Continuing operations:				
External customers	**526,855**	**-**	**-**	**526,855**
Total revenues	**526,855**	**-**	**-**	**526,855**
Profit (loss) before interest, taxation, depreciation, amortisation and Directors' remuneration (EBITDA)	**123,463**	**(6,697)**	**-**	**116,766**
Depreciation	**(31,338)**	**-**	**-**	**(31,338)**
Amortisation	**(3,476)**	**-**	**-**	**(3,476)**
Profit (loss) before interest, taxation and directors' remuneration (EBIT)	**88,649**	**(6,697)**	**-**	**81,952**

Nine months ended 30 September 2021	*Controlled entities KD 000's*	*Investments KD 000's*	*Adjustments and eliminations KD 000's*	*Total KD 000's*
Revenues				
Continuing operations:				
External customers	350,723	-	(6,062)	344,661
Total revenues	350,723	-	(6,062)	344,661
Profit (loss) before interest, taxation, depreciation, amortisation and Directors' remuneration (EBITDA)	97,770	(10,313)	-	87,457
Depreciation	(24,142)	-	-	(24,142)
Amortisation	(3,607)	-	-	(3,607)
Profit (loss) before interest, taxation and directors' remuneration (EBIT)	70,021	(10,313)	-	59,708

Inter-segment transactions and balances are eliminated upon consolidation and reflected in the "adjustments and eliminations" column. The Group's financing (including interest income and finance costs) and taxation is managed on a Group basis and are not allocated to operating segments.

The following table presents segment assets and liabilities of the Group's operating segments as at 30 September 2022, 31 December 2021 and 30 September 2021.

	Controlled entities KD 000's	***Investments KD 000's***	***Adjustments and eliminations KD 000's***	***Total KD 000's***
As at 30 September 2022				
Total assets	**2,624,667**	**1,173,434**	**(689,902)**	**3,108,199**
Total liabilities	**902,011**	**680,546**	**21,808**	**1,604,365**

14 SEGMENT INFORMATION (continued)

	Controlled entities KD 000's	*Investments KD 000's*	*Adjustments and eliminations KD 000's*	*Total KD 000's*
As at 31 December 2021 (Audited)				
Total assets	1,711,435	1,804,173	(610,299)	2,905,309
Total liabilities	501,101	611,122	(266,005)	846,218
As at 30 September 2021				
Total assets	1,706,813	1,991,647	(742,317)	2,956,143
Total liabilities	543,448	742,395	(429,976)	855,867

15 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date.

Determination of fair value and fair value hierarchy:
The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 KD'000	***Level 2 KD'000***	***Level 3 KD'000***	***Total fair value KD'000***
30 September 2022				
Financial assets measured at fair value through profit or loss				
Investment in an associate	**-**	**-**	**112,580**	**112,580**
Quoted equity securities	**4,825**	**-**	**-**	**4,825**
Unquoted equity securities	**-**	**-**	**21**	**21**
Investment in funds	**-**	**800**	**-**	**800**
Loans to related parties	**-**	**-**	**172,953**	**172,953**
Loan to an associate	**-**	**-**	**36,098**	**36,098**
	4,825	**800**	**321,652**	**327,277**
Financial assets measured at fair value through other comprehensive income				
Quoted equity securities	**697,390**	**-**	**-**	**697,390**
Unquoted equity securities	**-**	**-**	**41,275**	**41,275**
	697,390	**-**	**41,275**	**738,665**
Derivative financial assets				
Forward foreign exchange contracts	**-**	**(208)**	**-**	**(208)**
Interest rate swaps	**-**	**27,496**	**-**	**27,496**
	-	**27,288**	**-**	**27,288**
	702,215	**28,088**	**362,927**	**1,093,230**

15 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	Level 1	*Level 2*	*Level 3*	*Total fair value*
	KD'000	*KD'000*	*KD'000*	*KD'000*
31 December 2021 (Audited)				
Financial assets measured at fair value through profit or loss				
Investment in an associate	-	-	109,293	109,293
Quoted equity securities	10,112	-	-	10,112
Convertible loan	-	-	4,539	4,539
Unquoted equity securities	-	-	21	21
Investment in funds	-	1,289	-	1,289
Loans to related parties	-	-	155,692	155,692
Loan to an associate	-	-	35,169	35,169
	10,112	1,289	304,714	316,115
Financial assets measured at fair value through other comprehensive income				
Quoted equity securities	1,370,796	-	-	1,370,796
Unquoted equity securities	-	-	27,063	27,063
	1,370,796	-	27,063	1,397,859
Derivative financial assets				
Forward foreign exchange contracts	-	(84)	-	(84)
Interest rate swaps	-	5,932	-	5,932
	-	5,848	-	5,848
	1,380,908	7,137	331,777	1,719,822

	Level 1	*Level 2*	*Level 3*	*Total fair value*
	KD'000	*KD'000*	*KD'000*	*KD'000*
30 September 2021				
Financial assets measured at fair value through profit or loss				
Investment in an associate	-	-	108,687	108,687
Quoted equity securities	13,970	-	-	13,970
Convertible loan	-	-	607	607
Unquoted equity securities	-	-	21	21
Investment in funds	-	1,748	-	1,748
Loans to related parties	-	-	178,380	178,380
Loan to an associate	-	-	35,015	35,015
	13,970	1,748	322,710	338,428
Financial assets measured at fair value through other comprehensive income				
Quoted equity securities	1,422,845	-	-	1,422,845
Unquoted equity securities	-	-	16,631	16,631
	1,422,845	-	16,631	1,439,476
Derivative financial assets				
Forward foreign exchange contracts	-	(42)	-	(42)
Interest rate swaps	-	4,271	-	4,271
	-	4,229	-	4,229
	1,436,815	5,977	339,341	1,782,133

15 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

There were no transfers between the fair value hierarchies during the period.

The Group's management was unable to determine the fair value of the investment in an associate and the recoverability of interest bearing loan as at 30 September 2022, 31 December 2021 and 30 September 2021 due to certain inherent uncertainties and accordingly the investment and related loan is carried at its fair value as at 31 December 2013 (Note 4).

Fair values of unquoted equity securities classified as fair value through other comprehensive income are determined using valuation techniques that are not based on observable market prices or rates.

The following table below shows a reconciliation of the opening and the closing amount of level 3 financial assets measured at fair value:

	30 September 2022 KD'000	*(Audited) 31 December 2021 KD'000*	*30 September 2021 KD'000*
As at 1 January	**331,777**	298,870	298,870
Re-measurement recognised in consolidated statement of comprehensive income	-	136	(74)
Others including net purchases (sales), transfer and exchange difference	**31,150**	32,771	40,545
As at the reporting date	**362,927**	331,777	339,341

16 DISCONTINUED OPERATIONS

In the prior year, the Parent Company sold 100% of its equity interest in its operating segment "Global Integrated Logistics (GIL)" to DSV A/S ("DSV") for a total consideration of KD 1,474,059 thousand resulting in a gain after tax of KD 897,435 thousand. The sale consideration was received in the form of allotment of 19,304,348 shares in DSV, which is classified as financial assets at fair value through other comprehensive income.

The results of discontinued operations included in the interim condensed consolidated statement of income of the Group are as follows:

	Three months ended 30 September		*Nine months ended 30 September*	
	2022 KD 000's	*2021 KD 000's*	***2022 KD 000's***	*2021 KD 000's*
Revenues	-	273,880	-	1,050,085
Expenses	-	(248,791)	-	(980,536)
Profit before taxation	-	25,089	-	69,549
Taxation	-	(4,130)	-	(13,373)
Profit after taxation	-	20,959	-	56,176
Gain on sale of discontinued operations after income tax	-	897,435	-	897,435
PROFIT AFTER TAX FOR THE PERIOD FROM DISCOINTINUED OPERATIONS s	-	918,394	-	953,611

17 BUSINESS COMBINATION

Acquisitions during the period

(a) Acquisition of John Menzies PLC

On 4 August 2022, the Group acquired 100% equity interest in John Menzies PLC (Menzies). Menzies is a limited liability company registered and incorporated in Scotland (United Kingdom) and is engaged in providing ground and air cargo services, into-plane fuelling, fuel farm management and cargo forwarding services in several countries.

The acquisition of Menzies has been accounted based on provisional fair values of the identifiable assets and liabilities on the acquisition date and the management is in the process of determining the fair values of the assets and liabilities acquired. The consideration paid, provisional fair values of the assets and liabilities recognised at the date of acquisition, are summarised as follows:

	KD'000
Assets	
Property, plant and equipment	53,060
Right-of-use assets	63,340
Investment in associates and joint ventures	6,284
Other non-current assets	11,635
Inventories	2,147
Trade receivables	81,700
Other current assets	29,438
Bank balances, cash and deposits	40,351
	287,955
Liabilities	
Interest bearing loans	135,830
Lease liabilities	66,039
Other non-current liabilities	40,715
Trade and other payables	116,881
	359,465
Total identifiable net liabilities at provisional fair values	**(71,510)**
Purchase consideration*	209,664
Add: carrying value on non-controlling interest	5,790
Add: net liabilities acquired by the Group	71,510
Goodwill on acquisition	**286,964**
Consideration settled in cash	170,054
Cash and cash equivalents in subsidiary acquired	(40,351)
Net cash outflow on acquisition	**129,703**

*Includes fair value of existing interest in John Menzies PLC of KD 39,610 previously included in "Financial assets at fair value through other comprehensive income".

The remeasurement to fair value of the Group's existing 19% interest in John Menzies PLC resulted in a loss of KD 4,202 thousand. This amount has been included in "other comprehensive (loss) income" in interim condensed consolidated statement of comprehensive income and was subsequently transferred to retained earnings on the date of acquisition.

From the date of acquisition, John Menzies PLC contributed KD 89,545 thousands of revenue and KD 6,173 thousands to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of 2022, the Group's revenue from continuing operations would have been KD 398,013 thousands and the profit before tax from continuing operations would have been KD 2,177 thousands.

17 BUSINESS COMBINATION (continued)

(a) Acquisition of John Menzies PLC (continued)
The provisional goodwill includes the fair value of expected synergies arising from acquisition.

(b) Acquisition of HG Storage International Limited
On 28 August 2022, the Parent Company, through one of its subsidiaries, acquired 51% equity interest in HG Storage International Limited (HG Storage). HG Storage is a limited liability company registered and incorporated in Jersey and is engaged in providing oil pipeline and storage services in the several countries.

The acquisition of HG Storage has been accounted based on provisional fair values of the identifiable assets and liabilities on the acquisition date and the management is in the process of determining the fair values of the assets and liabilities acquired. The consideration paid, provisional fair values of the assets and liabilities recognised at the date of acquisition, are summarised as follows:

	KD'000
Assets	
Property, plant and equipment	65,845
Intangible assets	7,094
Investment in associates and joint ventures	37,172
Other non-current assets	4,236
Inventories	5,945
Trade receivables	14,169
Other current assets	9,615
Bank balances, cash and deposits	12,980
	157,056
Liabilities	
Interest bearing loans	20,963
Other non-current liabilities	16,064
Trade and other payables	12,925
	49,952
Total identifiable net assets at provisional fair values	**107,104**
Purchase consideration	65,201
Add: carrying value on non-controlling interest	71,534
Less: net assets acquired by the Group	(107,104)
Goodwill on acquisition	**29,631**
Consideration settled in cash	65,201
Cash and cash equivalents in subsidiary acquired	(12,980)
Net cash outflow on acquisition	**52,221**

From the date of acquisition, HG Storage International Limited contributed KD 11,973 thousands of revenue and KD 237 thousands to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of 2022, the Group's revenue from continuing operations would have been KD 89,895 thousands and the profit before tax from continuing operations would have been KD 3,747 thousands.

The provisional goodwill includes the fair value of expected synergies arising from acquisition.