

**A'AYAN LEASING AND INVESTMENT  
COMPANY K.S.C.P. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)**

**30 SEPTEMBER 2024**



## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF A'AYAN LEASING AND INVESTMENT COMPANY K.S.C.P.**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of A'ayan Leasing and Investment Company K.S.C.P. (the "Parent Company") and Subsidiaries (collectively, the "Group") as at 30 September 2024, and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for three months and nine months periods then ended, and the related interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the nine-month 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 basis of preparation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements: 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with basis of preparation as set out in Note 2.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF A'AYAN LEASING AND INVESTMENT COMPANY K.S.C.P. (continued)**

**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 accounts 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 Articles of Association and Memorandum of Incorporation, as amended, during the nine months period ended 30 September 2024 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, 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. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority "CMA" and organisation of security activity and its executive regulations, as amended, during the nine months period ended 30 September 2024 that might have had material effect on the business of the Parent Company or on its financial position.



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ABDULKARIM ALSAMDAN  
LICENCE NO. 208 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

7 November 2024  
Kuwait

# A'ayan Leasing and Investment Company K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period ended 30 September 2024

		<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>INCOME</b>					
Income from leasing operations	3	<b>3,511,263</b>	3,545,643	<b>10,300,400</b>	10,788,440
Net real estate income	4	<b>964,193</b>	1,932,784	<b>3,050,941</b>	3,837,194
Net income from investments and saving deposits	5	<b>771,146</b>	1,034,431	<b>2,234,887</b>	3,117,230
Share of results of associates	9	<b>191,943</b>	180,514	<b>1,419,890</b>	1,987,734
Advisory and management fees		<b>60,454</b>	76,886	<b>175,804</b>	202,330
Islamic finance income		<b>10,183</b>	4,784	<b>22,809</b>	10,830
Other income		<b>6,595</b>	31,982	<b>77,019</b>	93,132
		<b>5,515,777</b>	6,807,024	<b>17,281,750</b>	20,036,890
<b>EXPENSES</b>					
Finance costs		<b>(141,439)</b>	(170,391)	<b>(440,597)</b>	(486,136)
Net (allowance) reversal for expected credit losses and other provisions	6	<b>(13,680)</b>	(56,429)	<b>511,750</b>	(637,482)
Staff costs		<b>(1,514,169)</b>	(1,587,764)	<b>(4,758,931)</b>	(4,970,025)
Depreciation		<b>(118,240)</b>	(98,260)	<b>(334,232)</b>	(289,123)
Net foreign exchange differences		<b>11,225</b>	1,503	<b>(96,198)</b>	(27,275)
Other expenses		<b>(506,143)</b>	(522,304)	<b>(1,560,364)</b>	(1,609,455)
		<b>(2,282,446)</b>	(2,433,645)	<b>(6,678,572)</b>	(8,019,496)
<b>PROFIT BEFORE PROVISION FOR TAX</b>		<b>3,233,331</b>	4,373,379	<b>10,603,178</b>	12,017,394
Taxation		<b>(137,639)</b>	(162,872)	<b>(423,552)</b>	(418,489)
Taxation from subsidiaries		<b>(62,500)</b>	(69,158)	<b>(177,463)</b>	(184,614)
<b>PROFIT FOR THE PERIOD</b>		<b>3,033,192</b>	4,141,349	<b>10,002,163</b>	11,414,291
<b>Attributable to:</b>					
Equity holders of the Parent Company		<b>2,689,968</b>	3,894,899	<b>9,139,606</b>	10,721,507
Non-controlling interests		<b>343,224</b>	246,450	<b>862,557</b>	692,784
		<b>3,033,192</b>	4,141,349	<b>10,002,163</b>	11,414,291
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	7	<b>4.05 fils</b>	5.87 fils	<b>13.76 fils</b>	16.15 fils

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

A'ayan Leasing and Investment Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2024

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>PROFIT FOR THE PERIOD</b>	<b>3,033,192</b>	4,141,349	<b>10,002,163</b>	11,414,291
<b>Other comprehensive (loss) income:</b>				
<i>Other comprehensive (loss) income to be reclassified to interim condensed consolidated income statement in subsequent periods:</i>				
Exchange differences on translation of foreign operations	<b>(197,028)</b>	31,143	<b>(1,433,233)</b>	(734,448)
<i>Other comprehensive (loss) income not to be reclassified to interim condensed consolidated income statement in subsequent periods:</i>				
Share of other comprehensive loss of associates	<b>(33,072)</b>	1,167	<b>(177,496)</b>	(229,309)
<b>Total other comprehensive (loss) income</b>	<b>(230,100)</b>	32,310	<b>(1,610,729)</b>	(963,757)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,803,092</b>	4,173,659	<b>8,391,434</b>	10,450,534
<b>Attributable to:</b>				
Equity holders of the Parent Company	<b>2,574,736</b>	3,908,928	<b>8,364,099</b>	10,188,871
Non-controlling interests	<b>228,356</b>	264,731	<b>27,335</b>	261,663
	<b>2,803,092</b>	4,173,659	<b>8,391,434</b>	10,450,534

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

# A'ayan Leasing and Investment Company K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2024

	Notes	30 September 2024 KD	31 December 2023 (Audited) KD	30 September 2023 KD
<b>ASSETS</b>				
Cash and cash equivalents	8	15,117,115	19,733,927	19,214,641
Financial assets at fair value through profit or loss	13	12,015,348	11,686,885	12,110,157
Investment in associates	9	19,223,987	18,060,910	20,078,799
Investment properties		30,298,254	30,603,517	28,086,249
Other assets		10,623,793	8,576,756	9,894,199
Property and equipment		77,525,730	65,131,540	64,147,190
Goodwill		-	-	91,005
<b>TOTAL ASSETS</b>		<b>164,804,227</b>	<b>153,793,535</b>	<b>153,622,240</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		66,403,882	66,403,882	66,403,882
Statutory reserve		3,020,077	3,020,077	1,713,799
Asset revaluation surplus		8,755,469	8,755,469	8,755,469
Foreign currency translation reserve		(1,861,049)	(1,263,038)	(1,227,845)
Effect of changes in reserves of associates		303,867	475,197	461,978
Retained earnings		24,856,771	20,665,193	20,324,954
<b>Equity attributable to equity holders of the Parent Company</b>		<b>101,479,017</b>	<b>98,056,780</b>	<b>96,432,237</b>
Non-controlling interests		11,574,675	12,316,947	11,922,118
<b>Total equity</b>		<b>113,053,692</b>	<b>110,373,727</b>	<b>108,354,355</b>
<b>Liabilities</b>				
Islamic finance payables		9,126,562	11,370,449	11,354,635
Other liabilities		42,623,973	32,049,359	33,913,250
<b>Total liabilities</b>		<b>51,750,535</b>	<b>43,419,808</b>	<b>45,267,885</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>164,804,227</b>	<b>153,793,535</b>	<b>153,622,240</b>

Mansour Hamad Al-Mubarak  
Chairman

Abdullah Mohammed Al-Shatti  
Chief Executive Officer

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

# A'ayan Leasing and Investment Company K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2024

	<i>Attributable to equity holders of the Parent Company</i>					<i>Retained earnings KD</i>	<i>Subtotal KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Asset revaluation surplus KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Effect of changes in reserves of associates KD</i>				
As at 1 January 2024	66,403,882	3,020,077	8,755,469	(1,263,038)	475,197	20,665,193	98,056,780	12,316,947	110,373,727
Profit for the period	-	-	-	-	-	9,139,606	9,139,606	862,557	10,002,163
Other comprehensive loss	-	-	-	(598,011)	(177,496)	-	(775,507)	(835,222)	(1,610,729)
Total comprehensive (loss) income for the period	-	-	-	(598,011)	(177,496)	9,139,606	8,364,099	27,335	8,391,434
Dividend (Note 1)	-	-	-	-	-	(4,980,291)	(4,980,291)	-	(4,980,291)
Sale of treasury shares	-	-	-	-	-	220	220	-	220
Transfer to retained earnings upon partial disposal of investment in associates	-	-	-	-	6,166	(6,166)	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	(620,760)	(620,760)
Change in ownership interest in subsidiaries	-	-	-	-	-	38,209	38,209	(148,847)	(110,638)
<b>As at 30 September 2024</b>	<b>66,403,882</b>	<b>3,020,077</b>	<b>8,755,469</b>	<b>(1,861,049)</b>	<b>303,867</b>	<b>24,856,771</b>	<b>101,479,017</b>	<b>11,574,675</b>	<b>113,053,692</b>
As at 1 January 2023	66,403,882	1,713,799	8,755,469	(924,518)	691,287	14,583,738	91,223,657	12,250,888	103,474,545
Profit for the period	-	-	-	-	-	10,721,507	10,721,507	692,784	11,414,291
Other comprehensive loss	-	-	-	(303,327)	(229,309)	-	(532,636)	(431,121)	(963,757)
Total comprehensive (loss) income for the period	-	-	-	(303,327)	(229,309)	10,721,507	10,188,871	261,663	10,450,534
Dividend (Note 1)	-	-	-	-	-	(4,980,291)	(4,980,291)	-	(4,980,291)
Dividend to non-controlling interests	-	-	-	-	-	-	-	(612,937)	(612,937)
Movement in non-controlling interests	-	-	-	-	-	-	-	22,504	22,504
<b>As at 30 September 2023</b>	<b>66,403,882</b>	<b>1,713,799</b>	<b>8,755,469</b>	<b>(1,227,845)</b>	<b>461,978</b>	<b>20,324,954</b>	<b>96,432,237</b>	<b>11,922,118</b>	<b>108,354,355</b>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

# A'ayan Leasing and Investment Company K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 September 2024

		Nine months ended 30 September	
		2024	2023
	Notes	KD	KD
<b>OPERATING ACTIVITIES</b>			
Profit before provision for tax		10,603,178	12,017,394
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation and amortisation		8,259,617	8,362,987
Net (reversal) allowance for expected credit losses and provisions	6	(511,750)	637,482
Gain on sale of investment properties	4	-	(962,960)
Income from investments and saving deposits		(2,159,874)	(3,117,230)
Income from disposal of investment in associates		(75,013)	-
Share of results of associates	9	(1,419,890)	(1,987,734)
Redemption from investments in associates		(51,415)	-
Net foreign exchange differences		96,198	27,275
Provision for employees' end of service benefits		404,100	445,858
Finance costs		745,321	508,058
		15,890,472	15,931,130
<i>Changes in operating assets and liabilities:</i>			
Islamic finance receivables		76,446	52,291
Other assets		(11,355,200)	(10,601,362)
Other liabilities		272,650	1,539,861
Cash flows from operations		4,884,368	6,921,920
End of service benefits paid		(102,263)	(55,506)
Taxes paid		(606,287)	(1,238,715)
<b>Net cash flows from operating activities</b>		<b>4,175,818</b>	<b>5,627,699</b>
<b>INVESTING ACTIVITIES</b>			
Addition of associates		(467,482)	(1,178,611)
Purchase of financial assets at fair value through profit or loss		(415,085)	(442,541)
Proceeds from sale/redemption of financial assets at fair value through profit or loss		995,038	30,859
Proceeds from sale/redemption of investment at associates		250,472	-
Purchase of investment properties		(658,520)	-
Proceeds from sale of investment properties		-	3,582,650
Income received from investment and savings deposits	5	463,292	330,175
Dividend received from financial assets at fair value through profit or loss		788,166	782,853
Dividend and capital reduction proceed received from associates	9	215,961	4,037,294
Purchase of property and equipment		(142,903)	(39,345)
Movement in restricted bank balance		44	(59)
<b>Net cash flows from investing activities</b>		<b>1,028,983</b>	<b>7,103,275</b>
<b>FINANCING ACTIVITIES</b>			
Payments towards capital reduction		(195,138)	(298,789)
Dividend paid	1	(4,947,241)	(4,821,283)
Finance costs paid		(478,817)	(435,498)
Repayment of Islamic finance payables		(2,202,391)	(3,148,373)
Payment of lease liabilities		(1,266,804)	(1,236,432)
Dividends paid to non-controlling interests		(620,760)	(612,937)
Net movement in non-controlling interests		(110,638)	22,504
Net cash proceeds from treasury shares transactions		220	-
<b>Net cash flows used in financing activities</b>		<b>(9,821,569)</b>	<b>(10,530,808)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents as at 1 January		19,717,907	16,998,405
<b>CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER</b>	8	<b>15,101,139</b>	<b>19,198,571</b>
<b>Non-cash items excluded from the interim condensed consolidated statement of cash flows:</b>			
Additions to right-of-use assets - Property and equipment		(11,294,017)	(69,312)
Additions to lease liabilities – Other liabilities		11,294,017	69,312

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.



# A'ayan Leasing and Investment Company K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 September 2024

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of A'ayan Leasing and Investment Company K.S.C.P. (the "Parent Company") and subsidiaries (collectively, the "Group") for the nine months ended 30 September 2024 was authorised for issue in accordance with a resolution of the Board of Directors ("BOD") of the Parent Company on 7 November 2024.

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved in the annual general assembly meeting ("AGM") of the shareholders of the Parent Company held on 4 March 2024 and a cash dividend of 7.5% of the paid-up capital amounting to KD 4,980,291 was approved for the year ended 31 December 2023 (30 September 2023: Nil).

The Parent Company is a public shareholding company, incorporated and domiciled in the State of Kuwait, and whose shares are publicly traded in Bursa Kuwait. The Parent Company is regulated by the Central Bank of Kuwait ("CBK") and Capital Markets Authority ("CMA") as finance and investment company, respectively. The Parent Company's head office is located at A'ayan headquarters, Mohamed Bin Qasim Street, Al Rai 13027 and its registered postal address is P.O. Box 1426, Safat 13015, State of Kuwait.

The Group engages in financial investments, trading properties, investment properties and leasing activities as detailed in the Group's annual consolidated financial statements for the year ended 31 December 2023.

The Group carries out its activities in accordance with the principles of Islamic Shari'a as approved by the Fatwa and Shari'a board appointed by the Parent Company.

The interim condensed consolidated financial information includes the financial information of the Parent Company and the following principal subsidiaries:

Subsidiary's Name	Activity	Incorporation	% equity interest (Audited)		
			30 September 2024	31 December 2023	30 September 2023
Mubarrad Holding Company K.S.C.P. ("Mubarrad") <sup>1</sup>	Logistics services and real estate	Kuwait	41.7%	41.3%	41.3%
A'ayan Leasing Holding Company K.S.C. (Holding)	Leasing activities	Kuwait	100%	100%	100%
East Gate Real Estate Company S.P.C.	Real estate	Kuwait	100%	100%	100%
Jahraa Mall – JV	Real estate	Kuwait	77.1%	77.1%	77.1%

<sup>1</sup> As at 30 September 2024, the Group has 41.7% (31 December 2023: 41.3% and 30 September 2023: 41.3%) of ownership interest in Mubarrad. Although the Group currently owns less than 50% of the equity of Mubarrad, management determined that it still controls the investee because the Group continues to hold the majority of the voting rights in view of the widely dispersed shareholding structure and the absence of evidence of minority shareholder acting in concert. The Group also holds the majority of the seats on the BOD, and accordingly, considers that it exercises *de facto* control over Mubarrad, based on IFRS 10: *Consolidated Financial Statements* criteria analysis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

30 September 2024

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S MATERIAL ACCOUNTING  
POLICIES INFORMATION**

**2.1 Basis of preparation**

The interim condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*", except as noted below.

The interim condensed consolidated financial information for the nine months ended 30 September 2024 has been prepared in accordance with the regulations for financial services institutions as issued by the CBK in the State of Kuwait. These regulations require expected credit loss ("ECL") to be measured at the higher of the ECL on credit facilities computed under IFRS 9 according to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") (collectively, referred to as "IFRS, as adopted by the CBK for use by the State of Kuwait").

The interim condensed consolidated financial information does not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

Further, the results for the nine months period ended 30 September 2024, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

**2.2 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 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

***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.

***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 information.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 September 2024

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S MATERIAL ACCOUNTING POLICIES INFORMATION (continued)****2.2 New standards, interpretations and amendments adopted by the Group (continued)*****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 INCOME FROM LEASING OPERATIONS**

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Operating lease rental income	<b>5,445,448</b>	5,141,063	<b>15,966,223</b>	15,208,331
Service and maintenance and other related income	<b>382,511</b>	328,986	<b>1,000,191</b>	972,411
Gain on disposal of motor vehicles	<b>742,510</b>	1,027,566	<b>2,319,980</b>	3,053,815
	<b>6,570,469</b>	6,497,615	<b>19,286,394</b>	19,234,557
Less: depreciation of motor vehicles	<b>(2,368,692)</b>	(2,302,996)	<b>(7,016,522)</b>	(6,645,265)
Less: maintenance and other expenses	<b>(690,514)</b>	(648,976)	<b>(1,969,472)</b>	(1,800,852)
	<b>3,511,263</b>	3,545,643	<b>10,300,400</b>	10,788,440

**4 NET REAL ESTATE INCOME**

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Gain on sale of investment properties	-	960,000	-	962,960
Rental income from investment properties	<b>956,879</b>	858,878	<b>2,856,389</b>	2,627,380
Rental income from leasehold rights	<b>682,788</b>	712,854	<b>1,997,958</b>	2,135,941
Depreciation of right-of-use assets relating to leasehold rights	<b>(274,510)</b>	(309,161)	<b>(908,863)</b>	(927,488)
Amortisation of leasehold rights	-	(168,873)	-	(501,111)
Accretion of finance cost on lease liabilities	<b>(151,244)</b>	(3,022)	<b>(304,724)</b>	(21,921)
Real estate related expenses	<b>(175,109)</b>	(44,645)	<b>(317,570)</b>	(206,754)
Leasehold property related expenses	<b>(74,611)</b>	(73,247)	<b>(272,249)</b>	(231,813)
	<b>964,193</b>	1,932,784	<b>3,050,941</b>	3,837,194

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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## 5 NET INCOME FROM INVESTMENTS AND SAVING DEPOSITS

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Investment deposits and savings profits	<b>113,988</b>	119,643	<b>463,292</b>	330,175
Dividend income	<b>267,546</b>	263,038	<b>788,166</b>	782,853
Gain on disposal of investment in associates	-	-	<b>75,013</b>	-
Changes in fair value of financial assets at FVTPL	<b>389,612</b>	651,750	<b>908,416</b>	2,004,202
	<b>771,146</b>	1,034,431	<b>2,234,887</b>	3,117,230

## 6 NET ALLOWANCE (REVERSAL) FOR EXPECTED CREDIT LOSSES AND OTHER PROVISIONS

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Reversal of allowance for impairment on Islamic finance receivables	<b>(44,083)</b>	(27,253)	<b>(76,446)</b>	(52,291)
Net charge (reversal) of allowance on other assets	<b>24,093</b>	4,526	<b>(270,971)</b>	15,324
Net charge of allowance for impairment on trade receivables	<b>33,670</b>	79,156	<b>99,592</b>	187,557
Net (reversal) allowance for provision for legal cases	-	-	<b>(263,925)</b>	486,892
	<b>13,680</b>	56,429	<b>(511,750)</b>	637,482

## 7 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted EPS are identical.

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	<b>2,689,968</b>	3,894,899	<b>9,139,606</b>	10,721,507
Weighted average number of shares outstanding during the period (shares)	<b>664,038,824</b>	664,038,824	<b>664,038,824</b>	664,038,824
Basic and diluted earnings per share attributable to the equity holders of the Parent Company (fils)	<b>4.05</b>	5.87	<b>13.76</b>	16.15

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of the interim condensed consolidated financial information which require the restatement of EPS.

# A'ayan Leasing and Investment Company K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 8 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	<b>30 September 2024 KD</b>	<i>(Audited)</i> <b>31 December 2023 KD</b>	<b>30 September 2023 KD</b>
Cash and bank balances	<b>4,344,973</b>	5,192,032	7,947,547
Short-term placements with financial institutions	<b>10,772,142</b>	14,541,895	11,267,094
Cash and cash equivalents as per interim condensed consolidated statement of financial position	<b>15,117,115</b>	19,733,927	19,214,641
Less: restricted cash	<b>(15,976)</b>	(16,020)	(16,070)
Cash and cash equivalents as per interim condensed consolidated statement of cash flows	<b>15,101,139</b>	19,717,907	19,198,571

Cash and cash equivalents amounting to KD 109,827 (31 December 2023: KD 111,468 and 30 September 2023: KD 179,660) is maintained with one of the major shareholders (Note 11).

### 9 INVESTMENT IN ASSOCIATES

a) Set out below are the material associates of the Group as at the reporting date:

Associate’s Name	Country of domicile	% equity interest			Principal activities
		(Audited)			
		30 September 2024	31 December 2023	30 September 2023	
Oman Integral Logistics Company O.S.C.C <sup>1</sup>	Oman	50%	50%	50%	Logistics
A’ayan Real Estate Company K.S.C.P. (“AREC”) <sup>2</sup>	Kuwait	9.1%	9.8%	9.8%	Real estate
Tawazun Holding Company K.S.C (Closed) (“Tawazun”) <sup>3</sup>	Kuwait	45.5%	43.8%	43.8%	Holding Company
Light Fields Catering Company W.L.L. <sup>1</sup>	Kuwait	30%	30%	30%	Food supplies

<sup>1</sup> Included in the carrying amount of the investment in the associates is goodwill of KD 115,822 (31 December 2023: KD 115,822 and 30 September 2023: KD 115,822).

<sup>2</sup> As at 30 September 2024, the Group has 9.1% (31 December 2023: 9.8% and 30 September 2023: 9.8%) of ownership interest in AREC. Although the Group currently owns less than 20% of the equity of AREC, management determined that it still exerts significant influence over the investee through both its collective voting rights and its nominated directors' active participation on AREC's BOD, based on IAS 28: Investments in Associates and Joint Ventures criteria analysis, and accordingly, the Group has accounted for its interest in AREC as an investment in associate using the equity method of accounting in accordance with IAS 28: *Investments in Associates and Joint Ventures*. During the period, Group has acquired 0.02% of AREC for a consideration of KD 8,313 fully paid in cash. During the period, Group has sold 0.75% of shares for a consideration of KD 250,472 and a profit of 75,013 has been recognised.

<sup>3</sup> During the period, Group has acquired 1.73% of Tawazun Holding Company K.S.C (Closed) for a consideration of KD 459,169 fully paid in cash.

# A'ayan Leasing and Investment Company K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 9 INVESTMENT IN ASSOCIATES (continued)

b) The movement in the carrying value of investment in associates is as follows:

	<b>30 September 2024 KD</b>	<i>(Audited)</i> <b>31 December 2023 KD</b>	<b>30 September 2023 KD</b>
As at the beginning of the period/ year	<b>18,060,910</b>	20,091,871	20,091,871
Additions	<b>467,482</b>	2,303,611	2,303,611
Share of results	<b>1,419,890</b>	1,262,089	1,987,734
Share of other comprehensive loss	<b>(177,496)</b>	(216,090)	(229,309)
Dividend from associates	<b>(215,961)</b>	(1,008,208)	(929,431)
Capital reduction from associates	-	(4,337,214)	(3,110,527)
Sale/ redemption of associate	<b>(341,459)</b>	-	-
Foreign currency translation adjustments	<b>10,621</b>	(35,149)	(35,150)
<b>As at the end of the period/ year</b>	<b>19,223,987</b>	18,060,910	20,078,799

### 10 CONTINGENCIES

As at 30 September 2024, the Group's bankers have provided bank guarantees amounting to KD 510,383 (31 December 2023: KD 392,854 and 30 September 2023: KD 1,068,495) from which it is anticipated that no material liabilities will arise.

### 11 RELATED PARTY DISCLOSURES

These represent transactions with certain parties (associates, major shareholders, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise control or significant influence) entered into by the Group in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Parent Company's management.

	<b>Associates KD</b>	<b>Major shareholders KD</b>	<b>Other related parties KD</b>	<i>Nine months ended</i> <b>30 September</b>	
				<b>2024 KD</b>	<b>2023 KD</b>
<b>Interim condensed consolidated income statement</b>					
Finance costs	-	49,198	-	<b>49,198</b>	56,767
Advisory and management fees (net of property management commission)	(13,611)	-	189,778	<b>176,167</b>	184,979
Dividend income	-	36,881	496,368	<b>533,249</b>	522,927

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 September 2024

## 11 RELATED PARTY DISCLOSURES (continued)

					(Audited)	
	Associates	Major	Other related	30 September	31 December	30 September
	KD	shareholders	parties	2024	2023	2023
		KD	KD	KD	KD	KD
<b>Interim condensed consolidated statement of financial position:</b>						
Cash and bank balances	-	109,827	-	<b>109,827</b>	111,468	179,660
Amount due from related parties (included in other assets)	383,964	-	308,914	<b>692,878</b>	476,341	457,381
Financial assets at FVTPL	-	1,479,971	7,686,125	<b>9,166,096</b>	8,635,619	9,447,900
Islamic finance payables	-	1,061,153	-	<b>1,061,153</b>	1,290,191	1,271,113
Trade Payable (included in other liabilities)	-	-	1,186,967	<b>1,186,967</b>	995,103	826,481
Amount due to related parties (included in other liabilities)	-	-	-	-	74,546	74,546

The following table provides total amount of other transactions that have been entered into/ with the related parties for the relevant financial period:

	Other related parties	Nine months ended 30 September	
	KD	2024	2023
		KD	KD
Purchases of inventories	2,075,054	<b>2,075,054</b>	1,969,982

### Terms and conditions of transactions with related parties

Transactions with related parties are made on terms approved by management. Outstanding balances at the reporting period other than Islamic finance payables are unsecured, non-profit bearing and have no fixed repayment schedule. For the period ended 30 September 2024 and 2023, the Group has not recorded any further provisions for expected credit losses relating to amounts owed by related parties. There have been no guarantees received or provided for any related party receivables or payables.

### Transactions with key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The aggregate value of transactions with key management were as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2024	2023	2024	2023
	KD	KD	KD	KD
<b>Key management personnel compensation:</b>				
Salaries and other short-term benefits	<b>198,671</b>	188,111	<b>1,163,111</b>	990,861
End of service benefits	<b>31,307</b>	43,188	<b>131,805</b>	200,953
	<b>229,978</b>	231,299	<b>1,294,916</b>	1,191,814

On 4 March 2024, the shareholders at the Annual General Meeting had approved directors' remuneration amounting to KD 120,000 for the year ended 31 December 2023.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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## 12 SEGMENT INFORMATION

For management purposes, the Group is organised into four major business segments. The principal activities and services under these segments are as follows:

- ▶ **Islamic financing:** Providing a range of Islamic products to corporate and individual customers;
- ▶ **Leasing sector:** Leasing of vehicle and equipment to corporate and individual customers and investments with similar or related operations;
- ▶ **Real estate management:** Buying, selling and investing in real estate; and
- ▶ **Proprietary investment and assets management:** Operations of the Group's subsidiaries and associates (excluding subsidiaries and associates falling under the leasing sector) and managing funds and portfolios.

	<i>Islamic financing KD</i>	<i>Leasing sector KD</i>	<i>Real estate KD</i>	<i>Proprietary investment and assets management KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>Nine months period ended 30 September 2024</i>						
Revenue	23,861	10,436,411	1,518,729	5,045,485	257,264	17,281,750
Segment profit (loss)	71,157	5,635,904	885,924	3,619,925	(210,747)	10,002,163
Depreciation	-	(7,331,364)	(915,472)	(12,781)	-	(8,259,617)
<i>30 September 2024</i>						
Total assets	-	79,253,949	26,924,388	49,022,833	9,603,057	164,804,227
Total liabilities	-	19,750,543	12,684,410	2,082,375	17,233,207	51,750,535
	<i>Islamic financing KD</i>	<i>Leasing sector KD</i>	<i>Real estate KD</i>	<i>Proprietary investment and assets management KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>31 December 2023 (audited)</i>						
Total assets	-	78,857,079	16,421,948	49,155,908	9,358,600	153,793,535
Total liabilities	-	20,961,265	1,955,394	2,586,198	17,916,951	43,419,808



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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## 12 SEGMENT INFORMATION (continued)

	<i>Islamic financing KD</i>	<i>Leasing sector KD</i>	<i>Real estate KD</i>	<i>Proprietary investment and assets management KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>Nine months period ended 30 September 2023</i>						
Revenue	10,858	10,869,979	2,595,898	6,405,839	154,316	20,036,890
Segment profit (loss)	36,139	6,185,429	1,990,111	5,009,893	(1,807,281)	11,414,291
Depreciation	-	(6,922,416)	(931,598)	(7,862)	-	(7,861,876)
Amortisation of leasehold rights	-	-	(501,111)	-	-	(501,111)
<i>30 September 2023</i>						
Total assets	-	78,273,679	17,106,284	50,313,746	7,928,531	153,622,240
Total liabilities	-	22,215,854	2,698,261	2,326,866	18,026,904	45,267,885
Goodwill	-	-	-	91,005	-	91,005

## 13 FAIR VALUE MEASUREMENT

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.

**Fair value hierarchy**

All financial and non-financial assets for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

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

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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## 13 FAIR VALUE MEASUREMENT (continued)

Set out below that are a summary of financial instruments measured at fair value on a recurring basis, other than those with carrying amounts that are reasonable approximations of fair values:

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
<b>30 September 2024</b>			
<b>Assets measured at fair value:</b>			
<i>Investment securities:</i>			
Financial assets at FVTPL	<b>9,880,964</b>	<b>2,134,384</b>	<b>12,015,348</b>

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the nine months ended 30 September 2024.

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
<b>31 December 2023 (audited)</b>			
<b>Assets measured at fair value:</b>			
<i>Investment securities:</i>			
Financial assets at FVTPL	<b>9,397,884</b>	<b>2,289,001</b>	<b>11,686,885</b>

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
<b>30 September 2023</b>			
<i>Investment securities:</i>			
Financial assets at FVTPL	<b>10,105,688</b>	<b>2,004,469</b>	<b>12,110,157</b>

The following table shows a reconciliation of all movements in the fair value of items categorised within Level 3 between the beginning and the end of the reporting period:

	<i>Financial assets at FVTPL KD</i>
As at 1 January 2024	<b>2,289,001</b>
Remeasurements recognised in interim condensed consolidated income statement	<b>708,726</b>
Disposal	<b>(863,343)</b>
As at 30 September 2024	<b>2,134,384</b>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
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**13 FAIR VALUE MEASUREMENT (continued)**

	<i>Financial assets at FVTPL KD</i>
As at 1 January 2023	1,808,465
Transfer from Level 1	26,562
Additions	200,000
Remeasurements recognised in interim condensed consolidated income statement	1,389,491
Disposal	(1,135,517)
	<hr/>
As at 31 December 2023	2,289,001
	<hr/>
	<i>Financial assets at FVTPL KD</i>
As at 1 January 2023	1,808,465
Additions	200,000
Remeasurements recognised in interim condensed consolidated income statement	(3,996)
	<hr/>
As at 30 September 2023	2,004,469
	<hr/>

For assets classified as Level 3, fair value is estimated using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of similar assets; or other valuation techniques. The Group has also performed a sensitivity analysis by varying these input factors by 5%. Based on such analysis, there is no material impact on the interim condensed consolidated financial information.

Management assessed that the carrying value of other financial instruments at amortised cost is not significantly different from their fair values as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in profit rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

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