

**INTEGRATED HOLDING COMPANY K.S.C.P AND ITS
SUBSIDIARIES**

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

30 SEPTEMBER 2022

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF INTEGRATED HOLDING COMPANY K.S.C.P.***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Integrated Holding 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 profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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

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 IAS 34.

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 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-month 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, 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-month period ended 30 September 2022 that might have had material effect on the business of the Parent Company or on its financial position.



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EY
AL AIBAN, AL OSAIMI & PARTNERS

Integrated Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 September 2022

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2022	2021	2022	2021
		KD	KD	KD	KD
Revenue from contracts with customers	3	6,218,509	4,665,710	18,592,296	15,610,627
Cost of sales and rendering of services		(5,200,562)	(4,234,040)	(14,557,167)	(13,171,824)
GROSS PROFIT		1,017,947	431,670	4,035,129	2,438,803
General and administrative expenses		(652,310)	(641,579)	(2,542,526)	(2,171,116)
OPERATING PROFIT (LOSS)		365,637	(209,909)	1,492,603	267,687
Finance costs		(179,846)	(195,880)	(481,207)	(504,578)
Other income	4	323,767	327,407	1,797,404	532,019
PROFIT BEFORE TAX		509,558	(78,382)	2,808,800	295,128
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(5,097)	(2,536)	(28,088)	(7,237)
National Labour Support Tax ("NLST")		(13,819)	1,688	(74,056)	(15,199)
Reversal of (allowance for) income tax expense from foreign operations		21,867	-	(177,216)	-
Zakat		(5,528)	(504)	(29,623)	(7,260)
PROFIT (LOSS) FOR THE PERIOD		506,981	(79,734)	2,499,817	265,432
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	5	2.03 Fils	(0.32) Fils	9.91 Fils	1.05 Fils

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

Integrated Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 September 2022

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2022	2021	2022	2021
	KD	KD	KD	KD
PROFIT (LOSS) FOR THE PERIOD	506,981	(79,734)	2,499,817	265,432
Other comprehensive income (loss)				
<i>Other comprehensive income (loss) that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	392,161	2,128	429,084	(22,710)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	899,142	(77,606)	2,928,901	242,722


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

Integrated Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (UNAUDITED)

As at 30 September 2022

		<i>30 September 2022</i>	<i>(Audited) 31 December 2021</i>	<i>30 September 2021</i>
	<i>Notes</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
ASSETS				
Non-current assets				
Property and equipment		70,478,508	75,297,138	77,444,083
Right-of-use assets		561,726	579,290	596,589
Intangible assets		827,866	827,371	827,313
Deferred tax asset		287,817	208,754	193,665
		<u>72,155,917</u>	<u>76,912,553</u>	<u>79,061,650</u>
Current assets				
Inventories		947,162	929,316	904,335
Trade and other receivables	6	14,641,786	12,403,177	11,413,594
Bank balances and cash		5,014,459	6,546,222	5,500,581
		<u>20,603,407</u>	<u>19,878,715</u>	<u>17,818,510</u>
TOTAL ASSETS		<u>92,759,324</u>	<u>96,791,268</u>	<u>96,880,160</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	7	25,300,000	25,300,000	25,300,000
Statutory reserve		9,679,493	9,679,493	9,494,240
Foreign currency translation reserve		400,187	(28,897)	(31,495)
Retained earnings		26,825,038	26,855,221	25,643,939
Total equity		<u>62,204,718</u>	<u>61,805,817</u>	<u>60,406,684</u>
Liabilities				
Non-current liabilities				
Loans and borrowings	8	10,120,909	15,652,011	17,510,682
Employees' end of service benefits		2,134,790	2,025,689	1,974,764
Trade and other payables	9	-	-	3,528,930
Lease liabilities		630,952	632,801	642,032
		<u>12,886,651</u>	<u>18,310,501</u>	<u>23,656,408</u>
Current liabilities				
Trade and other payables	9	7,586,296	12,358,635	9,309,943
Loans and borrowings	8	10,039,005	4,298,163	3,457,794
Lease liabilities		42,654	18,152	49,331
		<u>17,667,955</u>	<u>16,674,950</u>	<u>12,817,068</u>
Total liabilities		<u>30,554,606</u>	<u>34,985,451</u>	<u>36,473,476</u>
TOTAL EQUITY AND LIABILITIES		<u>92,759,324</u>	<u>96,791,268</u>	<u>96,880,160</u>


Mohammad Naser Abdulaziz Al Fouzan
Chairman

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

Integrated Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2022

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
As at 1 January 2022	25,300,000	9,679,493	(28,897)	26,855,221	61,805,817
Profit for the period	-	-	-	2,499,817	2,499,817
Other comprehensive income for the period	-	-	429,084	-	429,084
Total comprehensive income for the period	-	-	400,187	2,499,817	2,928,901
Cash dividends (Note 13)	-	-	-	(2,530,000)	(2,530,000)
At 30 September 2022	25,300,000	9,679,493	400,187	26,825,038	62,204,718
As at 1 January 2021	22,000,000	9,494,240	(8,785)	28,678,507	60,163,962
Profit for the period	-	-	-	265,432	265,432
Other comprehensive loss for the period	-	-	(22,710)	-	(22,710)
Total comprehensive (loss) income for the period	-	-	(22,710)	265,432	242,722
Issue of bonus shares (Note 13)	3,300,000	-	-	(3,300,000)	-
At 30 September 2021	25,300,000	9,494,240	(31,495)	25,643,939	60,406,684

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

Integrated Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 September 2022

		Nine months ended 30 September	
		2022	2021
Notes		KD	KD
OPERATING ACTIVITIES			
	Profit before tax	2,808,800	295,128
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
	Depreciation of property and equipment	6,722,899	6,616,716
	Depreciation of right-of-use assets	50,510	47,506
4	Gain on disposal of items of property and equipment	(865,088)	(121,943)
	Provision for employees' end of service benefit	232,886	228,071
6	Provision for expected credit losses of trade receivables	53,064	161,476
	Finance costs	481,207	504,578
4	Net foreign exchange differences	860,623	(56,565)
		<hr/>	<hr/>
		10,344,901	7,674,967
<i>Working capital adjustments:</i>			
	Inventories	(17,846)	(1,200)
	Trade and other receivables	(2,358,393)	601,187
	Trade and other payables	(5,895,002)	(379,109)
		<hr/>	<hr/>
	Cash flows from operations	2,073,660	7,895,845
	Employees' end of service benefits paid	(131,359)	(76,721)
		<hr/>	<hr/>
Net cash flows from operating activities		1,942,301	7,819,124
		<hr/>	<hr/>
INVESTING ACTIVITIES			
	Purchase of items of property and equipment	(1,353,924)	(1,840,667)
	Proceeds from disposal of items of property and equipment	943,928	133,118
		<hr/>	<hr/>
Net cash flows used in investing activities		(409,996)	(1,707,549)
		<hr/>	<hr/>
FINANCING ACTIVITIES			
	Finance costs paid	(414,352)	(480,800)
13	Dividends paid	(2,530,000)	-
	Payment of lease liabilities	(60,340)	(54,667)
	Proceeds from borrowings	1,823,159	-
	Repayments of borrowings	(1,589,600)	(2,142,959)
		<hr/>	<hr/>
Net cash flows used in financing activities		(2,771,133)	(2,678,426)
		<hr/>	<hr/>
NET (DECREASE) INCREASE IN BANK BALANCES AND CASH		(1,238,828)	3,433,149
	Net foreign exchange differences	(292,935)	131,707
	Bank balances and cash at 1 January	6,546,222	1,935,725
		<hr/>	<hr/>
BANK BALANCES AND CASH AT 30 SEPTEMBER		5,014,459	5,500,581

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

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Integrated Holding Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 14 November 2022.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 20 April 2022 approved the consolidated financial statements for the year ended 31 December 2021. Dividends declared and paid by the Group for the year then ended are provided in Note 13.

The Parent Company was incorporated and domiciled in Kuwait and is listed on Boursa Kuwait. The Parent Company’s head office is located at Building 7, Block 6, East Ahmadi and its registered office is P.O. Box 750, Dasman 15458, State of Kuwait.

The principal activities of the Parent Company are, as follows:

- ▶ Acquiring shares in Kuwaiti or foreign shareholding companies as well as acquisition of shares in Kuwaiti or foreign companies with limited liability or participate in the incorporation of such two type of companies and management thereof and guaranteeing them with third parties;
- ▶ Lending money to the companies in which it holds shares. In such case, the Parent Company’s share in the capital of the borrower company is not less than 20%;
- ▶ Acquiring industrial property rights including patents, trademarks, industrial marks or industrial drawings or other rights related thereto and lease the same to other companies for use inside or outside Kuwait;
- ▶ Acquiring necessary movable and immovable properties for carrying out its business to the extent permitted by the law; and
- ▶ Utilising the financial surpluses available with the Parent Company through investing the same in financial portfolios managed by specialised companies and entities.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the nine months ended 30 September 2022 have been prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” (“IAS 34”). The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The management considers that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

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 2021.

The interim condensed consolidated financial information provides comparative information in respect of the previous period. Certain comparative information has been reclassified and represented to conform to classification in the current period. Such reclassification has been made to improve the quality of information presented.

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 2021, except for the adoption of new standards effective as of 1 January 2022. 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 2022, but do not have an impact on the interim condensed consolidated financial information of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES
(continued)**

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

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.

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 as the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

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.

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.

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

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.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2022</i> <i>KD</i>	<i>2021</i> <i>KD</i>	<i>2022</i> <i>KD</i>	<i>2021</i> <i>KD</i>
Unaudited				
<i>Type of goods or service</i>				
Revenue from rendering of services				
- Equipment hire	3,924,049	2,885,840	14,408,289	12,027,471
- Transportation	180,582	214,697	543,970	854,330
- Port management	1,222,208	614,049	2,613,417	1,583,881
- Other revenue	704,879	943,689	821,967	1,128,286
Sale of goods	186,791	7,435	204,653	16,659
	6,218,509	4,665,710	18,592,296	15,610,627
<i>Geographical markets:</i>				
Kuwait	5,302,531	4,054,419	10,878,616	11,327,086
Qatar	915,978	611,291	7,713,680	4,283,541
	6,218,509	4,665,710	18,592,296	15,610,627
<i>Timing of revenue recognition:</i>				
Goods transferred at a point in time	186,791	7,435	204,653	16,659
Services transferred over time	6,031,718	4,658,275	18,387,643	15,593,968
	6,218,509	4,665,710	18,592,296	15,610,627

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

4 OTHER INCOME

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2022	2021	2022	2021
	KD	KD	KD	KD
Net foreign exchange gain	30,542	233,712	860,623	358,805
Gain on sale of property and equipment	292,042	75,900	865,088	121,943
Other miscellaneous income	1,183	17,795	71,693	51,271
	323,767	327,407	1,797,404	532,019

5 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 earnings per share 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 earnings per share are identical.

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2022	2021	2022	2021
Profit (loss) for the period (KD)	506,981	(79,734)	2,499,817	265,432
Weighted average number of ordinary shares outstanding during the period	253,000,000	253,000,000	253,000,000	253,000,000
Basic and diluted earnings (loss) per share (fils)	2.03	(0.32)	9.91	1.05

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

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

6 TRADE AND OTHER RECEIVABLES

	30 September 2022 KD	(Audited) 31 December 2021 KD	30 September 2021 KD
Trade receivables	16,991,581	15,491,052	15,660,728
Retention receivables	129,951	134,915	131,957
	17,121,532	15,625,967	15,792,685
Less: Allowance for expected credit losses	(5,581,540)	(5,461,756)	(6,180,385)
	11,539,992	10,164,211	9,612,300
Contract assets	864,257	1,056,629	629,878
Receivables from a related party (Note 10)	-	-	3,847
Deposits	120,290	109,521	96,494
Advances paid to suppliers	783,470	476,443	518,120
Staff receivables	118,166	122,804	-
Prepaid expenses	403,761	298,797	332,902
Other receivables	811,850	174,772	220,053
	14,641,786	12,403,177	11,413,594

Set out below is the movement in the allowance for expected credit losses of trade and retention receivables:

	30 September 2022 KD	(Audited) 31 December 2021 KD	30 September 2021 KD
As at 1 January	5,461,756	6,046,969	6,046,969
Allowance for expected credit losses	53,064	-	161,476
Reversal of ECL	-	(566,557)	-
Exchange differences	66,720	(18,656)	(28,060)
As at the end of the period/ year	5,581,540	5,461,756	6,180,385

7 SHARE CAPITAL

Authorised, issued and paid-up share capital comprises of 253,000,000 shares of 100 fils each paid in cash.

In 2021, the Parent Company has increased its share capital from KD 22,000,000 to KD 25,300,000 through issuance of bonus shares. The share capital increase was authenticated in the commercial register in 7 June 2021 under registration number 108050.

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

8 LOANS AND BORROWINGS

	<i>30 September 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>30 September 2021 KD</i>
Term loan	-	580,823	593,240
Tawaruq payables	15,659,914	14,869,351	15,875,236
Murabaha payables	4,500,000	4,500,000	4,500,000
	20,159,914	19,950,174	20,968,476
Non-current	10,120,909	15,652,011	17,510,682
Current	10,039,005	4,298,163	3,457,794
	20,159,914	19,950,174	20,968,476

The amounts payable under Murabaha and Tawaruq agreements are repayable within 1 to 5 years. The amount due is settled on a deferred payment basis and bear a interest rate at 0.75% to 1% above CBK rate (31 December 2021: 0.75% to 1%, 30 September 2021: 0.75% to 1%)

Term loans carry finance charges at EIBOR+ 0.75% and are repayable within 5 years.

The Group's currency exposure for loans and borrowings is, as follows:

	<i>30 September 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>30 September 2021 KD</i>
Currency			
Kuwait Dinars	20,159,914	19,369,351	20,375,236
Euro	-	580,823	593,240
	20,159,914	19,950,174	20,968,476

Changes in liabilities arising from financing activities:

	<i>30 September 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>30 September 2021 KD</i>
As at 1 January	19,950,174	23,167,998	23,167,998
Proceeds from borrowings	1,823,159	-	-
Repayment of borrowings	(1,589,600)	(3,148,844)	(2,142,959)
Exchange differences	(23,819)	(68,980)	(56,563)
As at the end of the period/ year	20,159,914	19,950,174	20,968,476

Debt covenants

Banking covenants vary according to each loan agreement. During the year, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan arrangements.

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

9 TRADE AND OTHER PAYABLES

	30 September 2022 KD	(Audited) 31 December 2021 KD	30 September 2021 KD
Trade payables	4,267,260	9,124,119	9,541,636
Payables to a related party (Note 10)	-	-	23,952
Accrued expenses	1,260,523	1,059,452	1,167,783
Staff payables	1,144,292	1,415,209	1,554,369
Other payables	914,221	759,855	551,133
	7,586,296	12,358,635	12,838,873
Non-current	-	-	3,528,930
Current	7,586,296	12,358,635	9,309,943
	7,586,296	12,358,635	12,838,873

10 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, associates, directors and key management personnel of the Parent Company, and entities controlled, jointly controlled or significantly influenced by such parties. The Parent Company's management approves pricing policies and terms of transactions with related parties.

The related parties' balances and transactions included in the interim condensed consolidated financial information are as follows:

	30 September 2022 KD	Other affiliates * 31 December 2021 KD (Audited)	30 September 2021 KD
Services rendered to related parties	-	-	97,211
Other transactions	-	175,044	(320,330)
Amounts owed to related parties	-	-	23,952
Amounts owed by related parties	-	-	3,847

* Other affiliates represent entities significantly influenced by key management personnel.

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 and outstanding balances with related parties were as follows:

	Transaction values for the nine months ended		Balance outstanding as at		
	30 September 2022 KD	30 September 2021 KD	30 September 2022 KD	31 December 2021 KD (Audited)	30 September 2021 KD
Salaries and other short-term benefits	819,386	671,332	124,836	71,017	113,848
Employees end of service benefits	36,400	32,566	594,608	578,469	566,786
	855,786	703,898	719,444	649,486	680,634

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

10 RELATED PARTY DISCLOSURES (continued)

The Board of Directors at the meeting held on 29 March 2022 proposed directors' remuneration of KD 54,000 for the year ended 31 December 2021. The remuneration was approved by the shareholders at the AGM held on 20 April 2022.

11 SEGMENT INFORMATION

The management has determined the operating segments based on the information reviewed by Board of Directors represented by the chief operating decision maker for the purposes of allocating resource and assessing performance. The chief operating decision-maker organises the entity based on different geographical areas, inside and outside Kuwait. There are no inter-segmental transactions. The following table presents the geographical analysis of the Group's assets, liabilities, revenue, expenses and profit for the period ended 30 September 2022 and 30 September 2021 and assets and liabilities for the year ended 31 December 2021.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on return on investments.

	<i>30 September 2022 (Unaudited)</i>		
	<i>Kuwait KD</i>	<i>Foreign operations KD</i>	<i>Total KD</i>
Total assets	59,773,200	32,986,124	92,759,324
Total liabilities	(28,924,669)	(1,629,937)	(30,554,606)
Revenues	10,878,616	7,713,680	18,592,296
Expenses	(1,874,625)	(667,901)	(2,542,526)
Profit for the year	764,193	1,735,624	2,499,817
Depreciation of property and equipment	(4,296,191)	(2,426,708)	(6,722,899)
Finance costs	(448,352)	(32,855)	(481,207)
Capital expenditures	265	1,353,659	1,353,924
Depreciation of right-of-use assets	(5,053)	(45,457)	(50,510)

	<i>31 December 2021 (Audited)</i>		
	<i>Kuwait KD</i>	<i>Foreign operations KD</i>	<i>Total KD</i>
Total assets	65,391,755	31,399,513	96,791,268
Total liabilities	(33,470,485)	(1,514,966)	(34,985,451)

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

11 SEGMENT INFORMATION (continued)

	30 September 2021		
	Kuwait KD	Foreign operations KD	Total KD
Total assets	66,265,969	30,614,191	96,880,160
Total liabilities	(7,335,624)	(29,137,852)	(36,473,476)
Revenues	11,327,086	4,283,541	15,610,627
Expenses	(1,613,842)	(557,274)	(2,171,116)
(Loss) profit for the year	(714,507)	979,939	265,432
Depreciation of property and equipment	(4,845,325)	(1,771,391)	(6,616,716)
Finance costs	(432,707)	(71,871)	(504,578)
Capital expenditures	432,289	1,408,378	1,840,667
Depreciation of right-of-use assets	(2,642)	(44,864)	(47,506)

12 CONTINGENCIES

As at 30 September 2022, the Group's bankers had outstanding letter of guarantees and credits amounting to KD 3,942,604 (31 December 2021: KD 3,478,420 and 30 September 2021: KD 3,632,912) for the performance of certain contracts for which it is anticipated that no material liabilities will arise.

13 DISTRIBUTIONS MADE AND PROPOSED

The annual general assembly meeting (AGM) of the shareholders of the Parent Company held on 20 April 2022 approved cash dividends of 10 fils per share aggregating to KD 2,530,000 for the year ended 31 December 2021 (2020: bonus issue of 15 fils per share aggregating to KD 3,300,000 approved in the AGM held on 26 April 2021).