

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

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

30 SEPTEMBER 2023



REPORT ON REVIEW OF 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 2023, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended, and 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 2023 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 2023 that might have had material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207 A
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 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023	2022	2023	2022
		KD	KD	KD	KD
Revenue from contracts with customers	3	7,708,424	6,218,509	22,968,898	18,592,296
Cost of sales and rendering of services		(5,376,174)	(5,200,562)	(15,608,834)	(14,557,167)
GROSS PROFIT		2,332,250	1,017,947	7,360,064	4,035,129
General and administrative expenses		(1,113,694)	(652,310)	(3,625,813)	(2,542,526)
OPERATING PROFIT		1,218,556	365,637	3,734,251	1,492,603
Finance costs		(382,996)	(179,846)	(990,254)	(481,207)
Other income	4	281,180	323,767	545,701	1,797,404
PROFIT BEFORE TAX		1,116,740	509,558	3,289,698	2,808,800
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(10,947)	(5,097)	(30,503)	(28,088)
National Labour Support Tax ("NLST")		(36,738)	(13,819)	(107,576)	(74,056)
(Allowance for) reversal of income tax expense from foreign operations		(78,418)	21,867	(174,862)	(177,216)
Zakat		(16,475)	(5,528)	(45,775)	(29,623)
PROFIT FOR THE PERIOD		974,162	506,981	2,930,982	2,499,817
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	5	3.85 Fils	2.03 Fils	11.58 Fils	9.91 Fils

The attached notes 1 to 14 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 2023

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
PROFIT FOR THE PERIOD	974,162	506,981	2,930,982	2,499,817
Other comprehensive income				
<i>Other comprehensive income that may be reclassified</i> <i>subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	197,600	392,161	238,221	429,084
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,171,762	899,142	3,169,203	2,928,901

The attached notes 1 to 14 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 2023

		30 September 2023 KD	(Audited) 31 December 2022 KD	30 September 2022 KD
	Notes			
ASSETS				
Non-current assets				
Property and equipment		80,415,764	70,171,488	70,478,508
Right-of-use assets		652,691	539,144	561,726
Intangible assets		711,784	711,568	827,866
Deferred tax asset		261,718	238,159	287,817
		<u>82,041,957</u>	<u>71,660,359</u>	<u>72,155,917</u>
Current assets				
Inventories		1,100,379	1,039,597	947,162
Trade and other receivables	6	14,587,437	12,766,583	14,641,786
Bank balances and cash	7	3,560,425	3,391,718	5,014,459
		<u>19,248,241</u>	<u>17,197,898</u>	<u>20,603,407</u>
TOTAL ASSETS		<u>101,290,198</u>	<u>88,858,257</u>	<u>92,759,324</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	8	25,300,000	25,300,000	25,300,000
Statutory reserve		10,023,802	10,023,802	9,679,493
Foreign currency translation reserve		424,878	186,657	400,187
Retained earnings		26,283,828	27,147,846	26,825,038
Total equity		<u>62,032,508</u>	<u>62,658,305</u>	<u>62,204,718</u>
Liabilities				
Non-current liabilities				
Loans and borrowings	9	15,605,202	9,374,978	10,120,909
Employees' end of service benefits		2,050,122	2,040,700	2,134,790
Lease liabilities		579,900	603,198	630,952
		<u>18,235,224</u>	<u>12,018,876</u>	<u>12,886,651</u>
Current liabilities				
Trade and other payables	10	4,952,608	4,091,822	7,586,296
Loans and borrowings	9	16,001,615	10,036,557	10,039,005
Lease liabilities		68,243	52,697	42,654
		<u>21,022,466</u>	<u>14,181,076</u>	<u>17,667,955</u>
Total liabilities		<u>39,257,690</u>	<u>26,199,952</u>	<u>30,554,606</u>
TOTAL EQUITY AND LIABILITIES		<u>101,290,198</u>	<u>88,858,257</u>	<u>92,759,324</u>


Mohammad Naser Abdulaziz Al Fouzan
Chairman

The attached notes 1 to 14 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 2023

	<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 2023 (Audited)	25,300,000	10,023,802	186,657	27,147,846	62,658,305
Profit for the period	-	-	-	2,930,982	2,930,982
Other comprehensive income for the period	-	-	238,221	-	238,221
Total comprehensive income for the period	-	-	238,221	2,930,982	3,169,203
Cash dividends (Note 14)	-	-	-	(3,795,000)	(3,795,000)
At 30 September 2023	25,300,000	10,023,802	424,878	26,283,828	62,032,508
As at 1 January 2022 (Audited)	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	-	-	429,084	2,499,817	2,928,901
Cash dividends (Note 14)	-	-	-	(2,530,000)	(2,530,000)
At 30 September 2022	25,300,000	9,679,493	400,187	26,825,038	62,204,718

The attached notes 1 to 14 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 2023

		Nine months ended 30 September	
	Notes	2023 KD	2022 KD
OPERATING ACTIVITIES			
Profit before tax		3,289,698	2,808,800
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation of property and equipment		7,030,001	6,722,899
Depreciation of right-of-use assets		69,192	50,510
Gain on disposal of items of property and equipment	4	(62,922)	(865,088)
Provision for employees' end of service benefit		149,912	232,886
Allowance for expected credit losses on trade receivables and retention receivables	6	1,182,390	53,064
Interest on lease liabilities		30,662	23,096
Interest on debt and borrowings		959,592	458,111
Gain on derecognition of leases		(122,295)	-
Net foreign exchange differences	4	184,363	860,623
		<u>12,710,593</u>	<u>10,344,901</u>
<i>Working capital adjustments:</i>			
Inventories		(60,782)	(17,846)
Trade and other receivables		(3,009,183)	(2,358,393)
Trade and other payables		193,333	(5,895,002)
		<u>9,833,961</u>	<u>2,073,660</u>
Cash flows from operations		9,833,961	2,073,660
Employees' end of service benefits paid		(144,070)	(131,359)
Taxes paid		(179,710)	-
		<u>9,510,181</u>	<u>1,942,301</u>
Net cash flows from operating activities			
INVESTING ACTIVITIES			
Purchase of items of property and equipment		(16,968,712)	(1,353,924)
Proceeds from disposal of items of property and equipment		62,922	943,928
		<u>(16,905,790)</u>	<u>(409,996)</u>
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Finance costs paid on bank facilities		(755,981)	(414,352)
Dividends paid		(3,795,000)	(2,530,000)
Payment of lease liabilities		(102,287)	(60,340)
Proceeds from borrowings	9	14,848,758	1,823,159
Repayments of borrowings	9	(2,400,575)	(1,589,600)
		<u>7,794,915</u>	<u>(2,771,133)</u>
Net cash flows from (used in) financing activities			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Net foreign exchange differences		22,302	(292,935)
Cash and cash equivalents at 1 January		3,138,817	6,546,222
		<u>3,560,425</u>	<u>5,014,459</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER			
	7	3,560,425	5,014,459

The attached notes 1 to 14 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 2023

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 2023 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 13 November 2023.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 30 April 2023 approved the consolidated financial statements for the year ended 31 December 2022. Dividends declared by the Parent Company for the year then ended are provided in Note 14.

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 2023 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 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 2022.

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 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, 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 2023

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)

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial information.

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>Unaudited</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Type of goods or service</i>				
Revenue from rendering of services				
- Equipment hire	5,664,093	3,924,049	16,533,238	14,408,289
- Transportation	113,415	180,582	428,842	543,970
- Port management	1,722,852	1,222,208	5,078,549	2,613,417
- Other revenue	203,103	704,879	432,759	821,967
Sale of goods	4,961	186,791	495,510	204,653
	7,708,424	6,218,509	22,968,898	18,592,296
<i>Geographical markets:</i>				
Kuwait	3,450,595	5,302,531	13,109,251	10,878,616
Qatar	4,257,829	915,978	9,859,647	7,713,680
	7,708,424	6,218,509	22,968,898	18,592,296
<i>Timing of revenue recognition:</i>				
Goods transferred at a point in time	4,961	186,791	495,510	204,653
Services transferred over time	7,703,463	6,031,718	22,473,388	18,387,643
	7,708,424	6,218,509	22,968,898	18,592,296

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 2023

4 OTHER INCOME

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
Net foreign exchange gain	166,863	30,542	184,363	860,623
Gain on sale of property and equipment	9,207	292,042	62,922	865,088
Other miscellaneous income	105,110	1,183	298,416	71,693
	281,180	323,767	545,701	1,797,404

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>	
	2023	2022	2023	2022
Profit for the period (KD)	974,162	506,981	2,930,982	2,499,817
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 per share (fils)	3.85	2.03	11.58	9.91

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.

6 TRADE AND OTHER RECEIVABLES

	<i>30 September 2023</i>	<i>(Audited) 31 December 2022</i>	<i>30 September 2022</i>
	KD	KD	KD
Trade receivables	19,120,918	15,861,326	16,991,581
Retention receivables	84,071	116,643	129,951
	19,204,989	15,977,969	17,121,532
Less: Allowance for expected credit losses	(6,694,348)	(5,480,754)	(5,581,540)
	12,510,641	10,497,215	11,539,992
Contract assets	455,694	266,802	864,257
Refundable deposits	170,048	65,022	120,290
Advances to suppliers and employees	458,178	962,022	901,636
Prepaid expenses	235,056	375,417	403,761
Other receivables	757,820	600,105	811,850
	14,587,437	12,766,583	14,641,786

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 2023

6 TRADE AND OTHER RECEIVABLES (continued)

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

	<i>30 September 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 September 2022 KD</i>
As at 1 January	5,480,754	5,461,756	5,461,756
Net allowance for expected credit losses	1,182,390	226,075	53,064
Write-off	-	(244,873)	-
Exchange differences	31,204	37,796	66,720
As at the end of the period/ year	6,694,348	5,480,754	5,581,540

7 BANK BALANCES AND CASH

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	<i>30 September 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 September 2022 KD</i>
Cash on hand	41,215	38,120	43,227
Bank balances	3,519,210	3,353,598	4,971,232
Bank balances and cash	3,560,425	3,391,718	5,014,459
<i>Less:</i>			
Bank overdrafts (Note 9)	-	(252,901)	-
Cash and cash equivalents	3,560,425	3,138,817	5,014,459

At 30 September 2023, the Group had available KD 3,500,000 (31 December 2022: KD 1,247,099 and 30 September 2022: KD 1,500,000) of undrawn committed overdraft facilities.

8 SHARE CAPITAL

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

9 LOANS AND BORROWINGS

	<i>30 September 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 September 2022 KD</i>
Tawaruq payables	21,806,817	14,658,634	15,659,914
Murabaha payables	9,800,000	4,500,000	4,500,000
Bank overdrafts	-	252,901	-
	31,606,817	19,411,535	20,159,914

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 2023

9 LOANS AND BORROWINGS (continued)

Loans and borrowing in the interim condensed consolidated statement of financial position are categorised as:

	30 September 2023 KD	<i>(Audited)</i> 31 December 2022 KD	30 September 2022 KD
Non-current	15,605,202	9,374,978	10,120,909
Current	16,001,615	10,036,557	10,039,005
	<u>31,606,817</u>	<u>19,411,535</u>	<u>20,159,914</u>

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 an interest rate ranging from 5% to 5.25% (31 December 2022: 3.5% to 4%, 30 September 2022: 0.75% to 1%)

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

	30 September 2023 KD	<i>(Audited)</i> 31 December 2022 KD	30 September 2022 KD
Currency			
Kuwait Dinars	31,606,817	19,411,535	20,159,914
	<u>31,606,817</u>	<u>19,411,535</u>	<u>20,159,914</u>

Changes in liabilities arising from financing activities:

	30 September 2023 KD	<i>(Audited)</i> 31 December 2022 KD	30 September 2022 KD
As at 1 January	19,411,535	19,950,174	19,950,174
Proceeds from borrowings	14,848,758	900,000	1,823,159
Proceeds from bank overdrafts	-	252,901	-
Repayment of bank overdrafts	(252,901)	-	-
Repayment of borrowings	(2,400,575)	(1,691,540)	(1,589,600)
Exchange differences	-	-	(23,819)
As at the end of the period/ year	<u>31,606,817</u>	<u>19,411,535</u>	<u>20,159,914</u>

Debt covenants

Banking covenants vary according to each loan agreement. During the period, 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 2023

10 TRADE AND OTHER PAYABLES

	30 September 2023 KD	(Audited) 31 December 2022 KD	30 September 2022 KD
Trade payables	1,263,099	931,345	4,267,260
Accrued expenses	1,432,508	1,453,862	1,260,523
Staff payables	1,296,937	1,105,667	1,144,292
Other payables	960,064	600,948	914,221
	<u>4,952,608</u>	<u>4,091,822</u>	<u>7,586,296</u>

11 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.

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 2023 KD	30 September 2022 KD	30 September 2023 KD	31 December 2022 KD	30 September 2022 KD
				(Audited)	
Salaries and other short-term benefits	1,099,985	819,386	77,530	54,000	124,836
Employees end of service benefits	42,982	36,400	626,416	606,657	594,608
	<u>1,142,967</u>	<u>855,786</u>	<u>703,946</u>	<u>660,657</u>	<u>719,444</u>

The Board of Directors at the meeting held on 27 March 2023 proposed directors' remuneration of KD 54,000 for the year ended 31 December 2022. The remuneration was approved by the shareholders at the AGM held on 30 April 2023.

12 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 2023 and 30 September 2022 and assets and liabilities for the year ended 31 December 2022.

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.

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 2023

12 SEGMENT INFORMATION (continued)

	<i>30 September 2023 (Unaudited)</i>		
	<i>Kuwait KD</i>	<i>Foreign operations KD</i>	<i>Total KD</i>
Total assets	53,956,678	47,333,520	101,290,198
Total liabilities	(28,940,006)	(10,317,684)	(39,257,690)
Revenues	13,109,251	9,859,647	22,968,898
Expenses	(8,202,208)	(3,933,246)	(12,135,454)
Profit for the period	482,461	2,448,521	2,930,982
Depreciation of property and equipment	(4,049,511)	(2,980,490)	(7,030,001)
Finance costs	(843,464)	(146,790)	(990,254)
Capital expenditures	5,668,111	11,300,601	16,968,712
Depreciation of right-of-use assets	(8,494)	(60,698)	(69,192)

	<i>31 December 2022 (Audited)</i>		
	<i>Kuwait KD</i>	<i>Foreign operations KD</i>	<i>Total KD</i>
Total assets	52,606,178	36,252,079	88,858,257
Total liabilities	9,982,696	16,217,256	26,199,952

	<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)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

13 CONTINGENCIES

As at 30 September 2023, the Group's bankers had outstanding letter of guarantees and credits amounting to KD 9,675,872 (31 December 2022: KD 14,381,664 and 30 September 2022: KD 3,942,604) for the performance of certain contracts for which it is anticipated that no material liabilities will arise.

14 DISTRIBUTIONS MADE AND PROPOSED

The annual general assembly meeting (AGM) of the shareholders of the Parent Company held on 30 April 2023 approved cash dividends of 15 fils per share aggregating to KD 3,795,000 for the year ended 31 December 2022 (2021: cash dividends of 10 fils per share aggregating to KD 2,530,000 approved in the AGM held on 20 April 2022).