

**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited)  
and review report**

For the three months period ended 31 March 2022

**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited) and review report  
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<b>Contents</b>	<b>Page</b>
Review report on the interim condensed consolidated financial information	1
Interim condensed consolidated statement of profit or loss (Unaudited)	2
Interim condensed consolidated statement of profit or loss and other comprehensive income (Unaudited)	3
Interim condensed consolidated statement of financial position (Unaudited)	4
Interim condensed consolidated statement of changes in equity (Unaudited)	5-6
Interim condensed consolidated statement of cash flows (Unaudited)	7
Notes to the interim condensed consolidated financial information (Unaudited)	8-17

## **Review Report on the Interim Condensed Consolidated Financial Information**

**To the Board of Directors  
Privatization Holding Company – K.P.S.C.  
State of Kuwait**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Privatization Holding Company – K.P.S.C. (“the Parent Company”) and its subsidiaries (together referred to as “the Group”) as at 31 March 2022, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three months period then ended. The Parent Company’s management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### ***Scope of review***

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

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

### ***Emphasis of matter***

We draw attention to Note No. (13) to the accompanying interim condensed consolidated financial information regarding a claim letter from National Bank of Kuwait as a creditor to initiate execution procedures on the funds of another party and the guarantors. Our conclusion is not qualified with respect to this matter.

### ***Other matter***

The consolidated financial statements of Privatization Holding Company – K.P.S.C. for the year ended 31 December 2021 were audited by another auditor who expressed an unqualified opinion on such consolidated financial statements on 22 March 2022.

### ***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 nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, nor of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the three months period ended 31 March 2022, that might have had a material effect on business of the Group or its interim condensed consolidated 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 and the related instructions, as amended, during the three months period ended 31 March 2022, that might have had a material effect on the business of the Group or on its interim condensed consolidated financial position.



**Faisal Saqer Al Saqer**  
**License No. 172 "A"**  
**BDO Al Nisf & Partners**

**Kuwait : 15 May 2022**

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of profit or loss (Unaudited)**  
For the three months period ended 31 March 2022

	Note	Three months ended	
		31 March	
		2022	2021
		KD	KD
<b>Revenue:</b>			
Revenue from sales and services		838,212	1,816,882
Unrealized gain from change in fair value of financial assets at fair value through profit or loss		804,911	656,170
Realized gain from sale of financial assets at fair value through profit or loss		62,415	10,769
Dividend income		-	6,727
Gain from sale of investment in an associate		-	53,179
Group's share of results from associates	4	2,883,161	2,290,853
Loss from sale of investment property		(3,486)	-
Interest income		300	1,506
Foreign exchange (loss) / gain		(52,491)	13,815
Other income		600	15,527
<b>Total revenue</b>		<b>4,533,622</b>	<b>4,865,428</b>
<b>Expenses and other charges:</b>			
Cost of sales and services		(1,141,201)	(2,486,529)
General and administrative expenses		(480,719)	(454,420)
Portfolio management fees		(8,914)	(6,179)
Finance costs		(339,583)	(360,694)
<b>Total expenses and other charges</b>		<b>(1,970,417)</b>	<b>(3,307,822)</b>
<b>Profit for the period before contribution to National Labor Support Tax (NLST) and Zakat</b>		<b>2,563,205</b>	<b>1,557,606</b>
NLST		(63,643)	(45,297)
Zakat		(13,970)	(12,052)
<b>Net profit for the period</b>		<b>2,485,592</b>	<b>1,500,257</b>
<b>Attributable to:</b>			
Shareholders of the Parent Company		2,675,082	1,897,134
Non-controlling interests		(189,490)	(396,877)
<b>Net profit for the period</b>		<b>2,485,592</b>	<b>1,500,257</b>
<b>Basic and diluted earnings per share attributable to the shareholders of the Parent Company (Fils)</b>	3	<b>4.39</b>	<b>3.11</b>

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of profit or loss and other comprehensive income (Unaudited)**  
For the three months period ended 31 March 2022

	Note	Three months ended	
		31 March	
		2022	2021
		KD	KD
<b>Net profit for the period</b>		<b>2,485,592</b>	<b>1,500,257</b>
<b>Other comprehensive income items:</b>			
<b><i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss</i></b>			
Exchange differences on translating of foreign operations		42,288	(29,998)
Group's share of other comprehensive income of associates	4	485,197	352,402
<b><i>Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss</i></b>			
Changes in fair value of financial assets at fair value through other comprehensive income ("FVOCI")		(213,671)	641,199
<b>Total other comprehensive income for the period</b>		<b>313,814</b>	<b>963,603</b>
<b>Total comprehensive income for the period</b>		<b>2,799,406</b>	<b>2,463,860</b>
<b>Attributable to:</b>			
Shareholders of the Parent Company		2,995,962	2,863,361
Non-controlling interests		(196,556)	(399,501)
<b>Total comprehensive income for the period</b>		<b>2,799,406</b>	<b>2,463,860</b>

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of financial position (Unaudited)**  
As at 31 March 2022

	Note	31 March 2022 KD	(Audited) 31 December 2021 KD	31 March 2021 KD
<b>Assets</b>				
<b>Non-current assets:</b>				
Property, plant and equipment		11,398,967	11,445,080	11,736,594
Intangible assets		104,851	135,645	339,772
Investment property		-	127,829	116,190
Investment in associates	4	63,065,788	55,492,520	51,515,935
Financial assets at fair value through other comprehensive income	5	2,342,895	2,550,218	7,994,458
Accounts receivable and other debit balances	6	3,192,091	6,762,573	5,682,418
<b>Total non-current assets</b>		<b>80,104,592</b>	<b>76,513,865</b>	<b>77,385,367</b>
<b>Current assets:</b>				
Inventories		1,053,106	1,105,361	1,671,062
Accounts receivable and other debit balances	6	20,453,771	19,543,907	20,371,752
Financial assets at fair value through profit or loss	7	22,860,388	22,239,374	26,220,253
Cash and cash equivalents	8	1,185,805	1,708,970	1,480,136
<b>Total current assets</b>		<b>45,553,070</b>	<b>44,597,612</b>	<b>49,743,203</b>
<b>Total assets</b>		<b>125,657,662</b>	<b>121,111,477</b>	<b>127,128,570</b>
<b>Equity and liabilities</b>				
<b>Equity:</b>				
Capital		61,000,000	61,000,000	61,000,000
Share premium		24,761,544	24,761,544	24,761,544
Statutory reserve		1,590,532	1,590,532	1,590,532
General reserve		3,200,595	3,200,595	3,200,595
Fair value reserve of financial assets at FVOCI		(4,753,321)	(4,720,024)	(3,719,413)
Foreign currency translation reserve		618,253	490,269	483,332
Other reserves		(1,623,829)	(1,913,546)	(2,181,293)
Accumulated losses		(7,911,745)	(10,587,270)	(5,743,840)
<b>Equity attributable to shareholders of the Parent Company</b>		<b>76,882,029</b>	<b>73,822,100</b>	<b>79,391,457</b>
Non-controlling interests		(877,323)	(680,777)	133,390
<b>Total equity</b>		<b>76,004,706</b>	<b>73,141,323</b>	<b>79,524,847</b>
<b>Liabilities:</b>				
<b>Non-current liabilities:</b>				
Employees' end of service benefits		1,407,903	1,412,242	1,336,233
Term loans	9	5,088,367	5,199,250	8,464,217
Accounts payable and other credit balances	10	2,100,575	2,100,094	3,128,643
<b>Total non-current liabilities</b>		<b>8,596,845</b>	<b>8,711,586</b>	<b>12,929,093</b>
<b>Current liabilities:</b>				
Term loans	9	20,669,570	20,884,521	21,092,959
Bank overdraft		1,497,718	717,362	1,686,413
Accounts payable and other credit balances	10	18,888,823	17,656,685	11,895,258
<b>Total current liabilities</b>		<b>41,056,111</b>	<b>39,258,568</b>	<b>34,674,630</b>
<b>Total liabilities</b>		<b>49,652,956</b>	<b>47,970,154</b>	<b>47,603,723</b>
<b>Total equity and liabilities</b>		<b>125,657,662</b>	<b>121,111,477</b>	<b>127,128,570</b>

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

  
Mansour Khalawi Al-fadhli  
Chairman

  
Mohammed A. Al-Asfor  
Vice Chairman

Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait

Interim condensed consolidated statement of changes in equity (Unaudited)

For the three months period ended 31 March 2022

		Equity attributable to shareholders of the Parent Company																				
		Share premium		Statutory reserve		General reserve		Fair value reserve of financial assets at FVOCI		Foreign currency translation reserve		Other reserves		Accumulated losses		Sub-total		Non-controlling interests		Total Equity		
		KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	
As at 31 December 2021		61,000,000	24,761,544	1,590,532	3,200,595	(4,720,024)	490,269	(1,913,546)	(10,587,270)	73,822,100	(680,777)	73,141,323										
Net profit for the period		-	-	-	-	-	-	-	2,675,082	(189,490)	2,485,592											
<u>Other comprehensive income</u> /																						
Changes in fair value of financial assets at FVOCI		-	-	-	-	(206,586)	-	-	-	(206,586)	(7,085)	(213,671)										
Exchange differences on translating of foreign operations		-	-	-	-	-	42,288	-	-	42,288	-	42,288										
Group's share of other comprehensive income of associates (Note 4)		-	-	-	-	173,289	85,696	226,193	-	485,178	19	485,197										
Other comprehensive income (loss) / income for the period		-	-	-	-	(33,297)	127,984	226,193	-	320,880	(7,066)	313,814										
Total comprehensive income (loss) / income for the period		-	-	-	-	(33,297)	127,984	226,193	2,675,082	2,995,962	(196,556)	2,799,406										
Share of other reserves of associates (Note 4)		-	-	-	-	-	-	63,524	443	63,967	10	63,977										
As at 31 March 2022		61,000,000	24,761,544	1,590,532	3,200,595	(4,753,321)	618,253	(1,623,829)	(7,911,745)	76,882,029	(877,323)	76,004,706										

Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait

Interim condensed consolidated statement of changes in equity (Unaudited)

For the three months period ended 31 March 2022

	Equity attributable to shareholders of the Parent Company										
	Capital KD	Share premium KD	Statutory reserve KD	General reserve KD	Fair value reserve of financial assets at FVOCI KD	Foreign currency translation reserve KD	Other reserves KD	Accumulated losses KD	Sub-total KD	Non- controlling interests KD	Total Equity KD
As at 31 December 2020	61,000,000	24,761,544	1,590,532	3,200,595	(4,621,988)	582,696	(2,327,828)	(7,640,974)	76,544,577	532,897	77,077,474
Net profit for the period	-	-	-	-	-	-	-	1,897,134	1,897,134	(396,877)	1,500,257
<b>Other comprehensive income / (loss):</b>											
Changes in fair value of financial assets at FVOCI	-	-	-	-	643,809	-	-	-	643,809	(2,610)	641,199
Exchange differences on translating of foreign operations	-	-	-	-	-	(29,998)	-	-	(29,998)	-	(29,998)
Group's share of other comprehensive income / (loss) of associates (Note 4)	-	-	-	-	258,766	(69,366)	163,016	-	352,416	(14)	352,402
Other comprehensive income / (loss) for the period	-	-	-	-	902,575	(99,364)	163,016	-	966,227	(2,624)	963,603
Total comprehensive income / (loss) for the period	-	-	-	-	902,575	(99,364)	163,016	1,897,134	2,863,361	(399,501)	2,463,860
Share of other reserves of associates (Note 4)	-	-	-	-	-	-	(16,481)	-	(16,481)	(6)	(16,487)
<b>As at 31 March 2021</b>	<b>61,000,000</b>	<b>24,761,544</b>	<b>1,590,532</b>	<b>3,200,595</b>	<b>(3,719,413)</b>	<b>483,332</b>	<b>(2,181,293)</b>	<b>(5,743,840)</b>	<b>79,391,457</b>	<b>133,390</b>	<b>79,524,847</b>

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.



**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Interim condensed consolidated statement of cash flows (Unaudited)**  
For the three months period ended 31 March 2022

	<b>Three months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	2,485,592	1,500,257
<i>Adjustments for:</i>		
Unrealized gain from change in fair value on financial assets at fair value through profit or loss	(804,911)	(656,170)
Realized gain from sale of financial assets at fair value through profit or loss	(62,415)	(10,769)
Dividend income	-	(6,727)
Gain from sale of investment in an associate	-	(53,179)
Group's share of results from associates	(2,883,161)	(2,290,853)
Loss from sale of investment property	3,486	-
Interest income	(300)	(1,506)
Foreign exchange loss / (gain)	52,491	(13,815)
Depreciation	122,233	117,350
Amortization	30,794	69,710
Finance costs	339,583	360,694
Provision for employees' end of service benefits	28,662	32,054
	<b>(687,946)</b>	<b>(952,954)</b>
<b>Change in operating assets and liabilities:</b>		
Inventories	52,255	(197,609)
Financial assets at fair value through profit or loss	246,312	26,912
Accounts receivable and other debit balances	(1,513,793)	(257,213)
Accounts payable and other credit balances	1,084,288	(331,303)
<i>Cash flows used in operating activities</i>	<b>(818,884)</b>	<b>(1,712,167)</b>
Employees' end of service benefits paid	(33,001)	(2,250)
<b>Net cash flows used in operating activities</b>	<b>(851,885)</b>	<b>(1,714,417)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(43,498)	(13,740)
Proceeds from sale of property, plant and equipment	14,535	-
Proceeds from sale of investment property	124,343	-
Proceeds from sale of investment in an associate	-	500,000
Interest income received	300	1,506
Dividend income received	-	6,727
<b>Net cash flows from investing activities</b>	<b>95,680</b>	<b>494,493</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from term loans	235,022	1,538,339
Repayment of term loans	(579,870)	(933,488)
Bank overdraft	780,356	818,959
Finance costs paid	(191,252)	(204,445)
<b>Net cash flows from financing activities</b>	<b>244,256</b>	<b>1,219,365</b>
Net decrease in cash and cash equivalents	(511,949)	(559)
Foreign currency translation adjustment	(11,216)	(12,391)
Cash and cash equivalents at the beginning of the period	1,708,970	1,493,086
<b>Cash and cash equivalents at the end of the period (Note 8)</b>	<b>1,185,805</b>	<b>1,480,136</b>

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

**1. Incorporation and activities**

Privatization Holding Company - K.P.S.C. (the “Parent Company”) is a Kuwaiti public shareholding Company registered on 10 October 1994 and is listed on Boursa Kuwait.

The Parent Company is licensed to:

- Invest in Kuwaiti and foreign shareholding companies and limited liability Companies and to participate in the establishment and management of such entities,
- Lend to such entities and act as their guarantor,
- Utilization of excess funds in investment in financial portfolios or real estate portfolios through specialised parties inside or outside Kuwait,
- Invest in real estate, hold patents and copy rights, and advance loans to associates,
- Represent foreign consulting firms in local market.

The Parent Company’s registered office is located in Sharq, Ahmad Al-Jaber Street, Dar Al-Awadi Tower, 23rd Floor, and P.O. Box 4323, Safat 13104, Kuwait.

The interim condensed consolidated financial information of the Group were authorised for issuance by the Board of Directors of the Parent Company on 15 May 2022.

**2. Basis of preparation**

The interim consolidated condensed financial information has been prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting”. This interim condensed consolidated financial information does not include all the information and disclosures required for preparation of complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”). In the opinion of Group’s management, all adjustments consisting of (normal recurring accruals) considered necessary for fair presentation have been included.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars (“KD”) which is the functional and presentation currency of the Group.

Operating results for the three months period ended 31 March 2022 is not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further information, refer to the annual consolidated audited financial statements of the Group for the year ended 31 December 2021.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the financial statements for the year ended 31 December 2021.

The Group has not early adopted any other standards, interpretations or amendments that have been issued but not yet effective. Several other amendments and interpretations apply for the first time in 2022, but they do not have any material effect on the Group’s interim condensed financial information.

**3. Basic and diluted earnings per share attributable to the shareholders of the Parent Company**

There are no potential dilutive ordinary shares. Basic and diluted earnings per share attributable to the shareholders of the Parent Company are computed by dividing net profit for the period attributable for the shareholders of the Parent Company by the weighted average number of shares outstanding during the period as follow:

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2022

**3. Basic and diluted earnings per share attributable to the shareholders of the Parent Company (Continued)**

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	<b>2021</b>
Net profit for the period attributable to the shareholders of the Parent Company (KD)	<u>2,675,082</u>	<u>1,897,134</u>
Weighted average number of outstanding shares (shares)	<u>610,000,000</u>	<u>610,000,000</u>
Basic and diluted earnings per share attributable to shareholders of the Parent Company (fils)	<u>4.39</u>	<u>3.11</u>

**4. Investment in associates**

	<b>(Audited)</b>		
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Balance at the beginning of the period / year	<b>55,492,520</b>	51,037,053	51,037,053
Additions (a)	<b>4,140,933</b>	2,849,420	-
Disposals	-	(2,148,900)	(2,147,886)
Group's share of results from associates	<b>2,883,161</b>	3,173,351	2,290,853
Group's share of other comprehensive income from associates' cumulative changes in fair value	<b>173,289</b>	61,445	258,766
Group's share of other comprehensive income / (loss) from associates' foreign currency translation adjustment	<b>85,715</b>	(67,041)	(69,380)
Group's share of other comprehensive income from associates' other reserves	<b>226,193</b>	544,347	163,016
Other reserves	<b>63,977</b>	(246,158)	(16,487)
Adjustment due to loss from downstream transaction	-	289,003	-
Balance at end of the period / year	<u><b>63,065,788</b></u>	<u>55,492,520</u>	<u>51,515,935</u>

a) Additions during the period ended 31 March 2022 represents additions in Middle East Complex for Eng., Electronics & Heavy Industries - PLC ("MECE") through using the balance due from a related party of KD 4,140,933. Accordingly, The Group ownership interest has been increased to 48.37% (31 December 2021: 37.29%, 31 March 2021: 37.31%).

Investment in associates amounting to KD 49,362,080 (31 December 2021: KD 45,925,342, 31 March 2021: KD 39,592,700) are secured against certain term loans (Note 9).

**5. Financial assets at fair value through other comprehensive income**

	<b>(Audited)</b>		
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Quoted securities	<b>381,214</b>	408,475	346,682
Unquoted securities	<b>1,017,670</b>	1,014,139	5,104,409
Funds and portfolios	<b>944,011</b>	1,127,604	2,543,367
	<u><b>2,342,895</b></u>	<u>2,550,218</u>	<u>7,994,458</u>

**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2022

**5. Financial assets at fair value through other comprehensive income (Continued)**

Financial assets at fair value through other comprehensive income amounting to KD 1,334,736(31 December 2021: KD 1,524,553, 31 March 2021: KD 2,849,263) are secured against certain term loans (Note 9).

**6. Accounts receivable and other debit balances**

	<b>31 March 2022</b>	<b>(Audited) 31 December 2021</b>	<b>31 March 2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Trade receivables	10,381,490	9,784,144	10,561,138
Due from related parties (Note 12)	4,286,236	7,866,568	6,769,293
Interest receivable	3,000,000	3,000,000	3,000,000
Receivables from sale of investment in an associate	1,201,065	1,201,065	1,701,065
Prepaid expenses and accrued income	136,084	115,790	120,519
Advances to project under progress	6,017,126	6,017,126	5,340,359
Advances to supplier	699,119	521,235	553,931
Other debit balances	1,261,777	1,137,587	1,159,949
	<u>26,982,897</u>	<u>29,643,515</u>	<u>29,206,254</u>
Provision for expected credit losses	<u>(3,337,035)</u>	<u>(3,337,035)</u>	<u>(3,152,084)</u>
	<u>23,645,862</u>	<u>26,306,480</u>	<u>26,054,170</u>

Accounts receivable and other debit balances are represented in the following:

	<b>31 March 2022</b>	<b>(Audited) 31 December 2021</b>	<b>31 March 2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Non-current portion	3,192,091	6,762,573	5,682,418
Current portion	20,453,771	19,543,907	20,371,752
	<u>23,645,862</u>	<u>26,306,480</u>	<u>26,054,170</u>

**7. Financial assets at fair value through profit or loss**

	<b>31 March 2022</b>	<b>(Audited) 31 December 2021</b>	<b>31 March 2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Quoted securities	11,343,176	10,052,164	10,400,619
Unquoted security	11,421,372	11,900,848	15,159,603
Mutual funds	95,840	286,362	660,031
	<u>22,860,388</u>	<u>22,239,374</u>	<u>26,220,253</u>

Financial assets at fair value through profit or loss amounting to KD 20,341,822 (31 December 2021: KD 19,459,514 March 2021: KD 19,956,529) are pledged against certain term loans (Note 9).

**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)  
For the three months period ended 31 March 2022**

**8. Cash and cash equivalents**

	<b>31 March 2022</b>	<b>(Audited) 31 December 2021</b>	<b>31 March 2021</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Cash on hand and at banks	929,680	1,409,187	1,393,696
Cash at portfolios	151,505	195,216	18,809
Short term bank deposits	503	501	499
Restricted cash*	104,117	104,066	67,132
	<u>1,185,805</u>	<u>1,708,970</u>	<u>1,480,136</u>

\*This balance represents cash restricted against bank facilities.

**9. Term loans**

	<b>31 March 2022</b>	<b>(Audited) 31 December 2021</b>	<b>31 March 2021</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Term loans obtained from local financial institutions and a related party and carrying interest rates range from 1.5% to 4% per annum over the Central Bank of Kuwait discount rate	21,189,247	21,234,391	24,362,764
Term loans obtained from foreign financial institutions and carry interest rates range from 8.5% to 9.75% per annum	4,568,690	4,849,380	5,194,412
	<u>25,757,937</u>	<u>26,083,771</u>	<u>29,557,176</u>

Certain investments in subsidiaries, associates, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are secured against term loans (Note 4, 5 and 7).

Term loans are represented in the following:

	<b>31 March 2022</b>	<b>(Audited) 31 December 2021</b>	<b>31 March 2021</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Non-current portion	5,088,367	5,199,250	8,464,217
Current portion	20,669,570	20,884,521	21,092,959
	<u>25,757,937</u>	<u>26,083,771</u>	<u>29,557,176</u>

**10. Accounts payable and other credit balances**

	<b>31 March 2022</b>	<b>(Audited) 31 December 2021</b>	<b>31 March 2021</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Trade payable	1,189,939	1,096,603	2,579,041
Due to related parties (Note 12)	12,006,913	11,418,932	3,022,023
Fixed assets payable	3,044,534	3,030,531	4,039,305
Accrued expenses and other liabilities	4,748,012	4,210,713	5,383,532
	<u>20,989,398</u>	<u>19,756,779</u>	<u>15,023,901</u>

**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2022

**10. Accounts payable and other credit balances (Continued)**

Accounts payable and other credit balances are represented in the following:

	<b>31 March 2022</b>	<b>(Audited) 31 December 2021</b>	<b>31 March 2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Non-current portion	<b>2,100,575</b>	2,100,094	3,128,643
Current portion	<b>18,888,823</b>	17,656,685	11,895,258
	<b>20,989,398</b>	19,756,779	15,023,901

**11. Shareholders' Annual General Assembly**

The Parent Company's Shareholders' Annual General Assembly meeting held on 28 April 2022 approved the consolidated financial statements for the year ended 31 December 2021, and approved not to distribute cash dividends and Board of Directors' remuneration for the year ended 31 December 2021. Also, it approve to set off accumulated losses of KD 10,587,270 as of 31 December 2021 through general reserve of KD 3,200,595 and share premium of KD 7,386,675.

The Parent Company's Shareholders' Annual General Assembly meeting held on 10 May 2021 has approved the consolidated financial statements for the year ended 31 December 2020, and approved not to distribute cash dividends and Board of Directors' remuneration for the year ended 31 December 2020.

**12. Related party transactions and balances**

Related parties represent major shareholders, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are to be approved by the Group's management.

Transactions and balances with related parties included in the interim condensed consolidated financial information are as follows:

**Transactions included in interim condensed consolidated statement of profit or loss:**

	<b>Three months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>
Interest income	<b>16</b>	1,429
Portfolio management fees	<b>5,056</b>	2,646
Finance costs	<b>29,693</b>	1,027

**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)  
For the three months period ended 31 March 2022**

**12. Related party transactions and balances (Continued)**

<u>Balances included in interim condensed consolidated statement of financial position</u>	(Audited)		
	31 March 2022	31 December 2021	31 March 2021
	KD	KD	KD
Financial assets at FVOCI	1,060	831	4,008,342
Due from related parties (Note 6)	4,286,236	7,866,568	6,769,293
Financial assets at fair value through profit or loss	3,517,260	3,396,637	6,391,996
Cash with portfolios managers	53,693	58,578	6,318
Term loans	500,000	500,000	500,000
Due to related parties (Note 10)	12,006,913	11,418,932	3,022,023

Amount due from / to related parties are receivable / payable on demand.

	Three months ended 31 March	
	2022	2021
	KD	KD
<u>Compensation of key management personnel</u>		
Short term benefits	217,041	100,187
End of service benefits	15,834	13,583

**13. Capital commitments and contingencies**

	(Audited)		
	31 March 2022	31 December 2021	31 March 2021
	KD	KD	KD
<b>Capital commitments</b>			
Project commitments	14,533,472	14,533,472	-
Other commitments	68,249	94,448	562,010
	<u>14,601,721</u>	<u>14,627,920</u>	<u>562,010</u>

**Contingencies**

At the reporting date, the Group has provided performance bank guarantees to a customer and suppliers amounting to KD 3,704,938 (31 December 2021: KD 3,704,938, 31 March 2021: KD 3,524,388) and to Public Authority for housing Welfare KD3,120,180 (31 December 2021: KD 3,120,180, 31 March 2021: KD 3,120,180) from which it is anticipated that no material liabilities will arise.

The Parent Company and other parties have guaranteed other party (debtor Company) personally against a loan of KD 72.6 million with National Bank of Kuwait (NBK) during 2012. The debtor Company subsequently signed loan renewal agreements, which the Parent Company was not a party on it, to combine the loan with other debts of natural and legal persons. Its agreed to a new maturity dates represented on eleven annual installments commencing 15 June 2016 upon together with providing in-kind guarantees. The Parent Company has not renewed its guarantee obligations in renewal agreements.

The debtor Company settled under the new agreements and the remaining balance due was KD 26,297,015 (excluding interest). NBK initiated execution procedures on the balance against the debtor Company and guarantors including the Parent Company, being a guarantor. The Court rendered a judgment in the complaint filed by the Parent Company to stop execution of the agreement. Further, the Parent Company has filed a claim for invalidity of the agreement and expiration of the guarantee where no judgment was issued until the reporting date.

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2022

**13. Capital commitments and contingencies (Continued)**

**Contingencies (Continued)**

The Group's management believes that the Parent Company is neither a party nor obligated by the guarantee agreement. It is not possible to estimate the financial results that may arise from these lawsuits until a final decision is issued by the Court. Accordingly, financial impact could not be determined.

**14. Segmental information**

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. The Group does not have any inter-segment transactions.

The following table presents segment income and results information regarding the Group's business segments:

	<u>Investment</u> KD	<u>Others</u> KD	<u>Total</u> KD
<b>Three months ended 31 March 2022</b>			
Segment revenue	<u>3,726,354</u>	<u>807,268</u>	<u>4,533,622</u>
Segment profit / (loss) before finance costs, foreign exchange loss	<u>3,520,188</u>	<u>(564,909)</u>	<u>2,955,279</u>
Finance costs net of foreign exchange loss	<u>(268,503)</u>	<u>(123,571)</u>	<u>(392,074)</u>
Profit / (loss) before taxation	<u>3,251,685</u>	<u>(688,480)</u>	<u>2,563,205</u>
Segment assets	<u>87,403,987</u>	<u>38,253,675</u>	<u>125,657,662</u>
Segment liabilities (excluding term loans)	<u>(11,087,416)</u>	<u>(12,807,603)</u>	<u>(23,895,019)</u>
Segment net assets before term loans	<u>76,316,571</u>	<u>25,446,072</u>	<u>101,762,643</u>
Term loans	<u>(17,384,056)</u>	<u>(8,373,881)</u>	<u>(25,757,937)</u>
Net assets	<u>58,932,515</u>	<u>17,072,191</u>	<u>76,004,706</u>
	<u>Investment</u> KD	<u>Others</u> KD	<u>Total</u> KD
<b>Three months ended 31 March 2021</b>			
Segment revenue	<u>3,043,832</u>	<u>1,821,596</u>	<u>4,865,428</u>
Segment profit / (loss) before finance costs, foreign exchange loss	<u>2,753,476</u>	<u>(848,991)</u>	<u>1,904,485</u>
Finance costs plus foreign exchange loss	<u>(202,842)</u>	<u>(144,037)</u>	<u>(346,879)</u>
Profit / (loss) before taxation	<u>2,550,634</u>	<u>(993,028)</u>	<u>1,557,606</u>
Segment assets	<u>88,235,734</u>	<u>38,892,836</u>	<u>127,128,570</u>
Segment liabilities (excluding term loans)	<u>(4,983,210)</u>	<u>(13,063,337)</u>	<u>(18,046,547)</u>
Segment net assets before term loans	<u>83,252,524</u>	<u>25,829,499</u>	<u>109,082,023</u>
Term loans	<u>(20,590,215)</u>	<u>(8,966,961)</u>	<u>(29,557,176)</u>
Net assets	<u>62,662,309</u>	<u>16,862,538</u>	<u>79,524,847</u>



**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2022

**15. Fair value measurement**

**15.1 Fair value hierarchy**

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

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**15.2 Fair value measurement of financial instruments**

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position are as follows:

	<b>31 March 2022</b>	<b>(Audited) 31 December 2021</b>	<b>31 March 2021</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
<b>Financial assets:</b>			
<b><i>Financial assets at fair value through other comprehensive income:</i></b>			
Financial assets at fair value through other comprehensive income	2,342,895	2,550,218	7,994,458
<b><i>Financial assets at amortised cost:</i></b>			
Accounts receivable and other debit balances (excluding prepayments and advances)	16,793,533	19,652,329	20,039,361
Cash and cash equivalents	1,185,805	1,708,970	1,480,136
<b><i>Financial assets at fair value through profit or loss:</i></b>			
Financial assets at fair value through profit or loss	22,860,388	22,239,374	26,220,253
	<u>43,182,621</u>	<u>46,150,891</u>	<u>55,734,208</u>
<b>Financial liabilities:</b>			
<b><i>Financial liabilities at amortised cost:</i></b>			
Term loans	25,757,937	26,083,771	29,557,176
Accounts payable and other credit balances (excluding advances)	20,494,955	19,646,942	15,017,202
Bank overdraft	1,497,718	717,362	1,686,413
	<u>47,750,610</u>	<u>46,448,075</u>	<u>46,260,791</u>

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2022

**15. Fair value measurement (Continued)**

**15.2 Fair value measurement of financial instruments (Continued)**

Management considers that the carrying amounts of financial assets and all financial liabilities, which are stated at amortised cost, approximate their fair values.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

<b>31 March 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
Quoted securities	381,214	-	-	381,214
Funds and portfolio	-	944,011	-	944,011
Unquoted securities	-	-	1,017,670	1,017,670
<b>Financial assets at fair value through profit or loss:</b>				
Quoted securities	11,343,176	-	-	11,343,176
Mutual funds	-	95,840	-	95,840
Unquoted securities	-	753,824	10,667,548	11,421,372
	<u>11,724,390</u>	<u>1,793,675</u>	<u>11,685,218</u>	<u>25,203,283</u>
<b>31 December 2021 (Audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
Quoted securities	408,475	-	-	408,475
Funds and portfolio	-	1,127,604	-	1,127,604
Unquoted securities	-	-	1,014,139	1,014,139
<b>Financial assets at fair value through profit or loss:</b>				
Quoted securities	10,052,164	-	-	10,052,164
Mutual funds	-	286,362	-	286,362
Unquoted securities	-	863,210	11,037,638	11,900,848
	<u>10,460,639</u>	<u>2,277,176</u>	<u>12,051,777</u>	<u>24,789,592</u>

**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2022

**15. Fair value measurement (Continued)**

**15.2 Fair value measurement of financial instruments (Continued)**

<b>31 March 2021</b>	<u><b>Level 1</b></u>	<u><b>Level 2</b></u>	<u><b>Level 3</b></u>	<u><b>Total</b></u>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
Quoted securities	346,682	-	-	346,682
Funds and portfolio	-	2,543,367	-	2,543,367
Unquoted securities	-	-	5,104,409	5,104,409
<b>Financial assets at fair value through profit or loss:</b>				
Quoted securities	10,400,619	-	-	10,400,619
Mutual funds	-	660,031	-	660,031
Unquoted securities	-	3,992,487	11,167,116	15,159,603
	<u>10,747,301</u>	<u>7,195,885</u>	<u>16,271,525</u>	<u>34,214,711</u>

During the period / year, there were no transfers between levels 1, 2 and 3.