

**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 2024**

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

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## **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 2024, 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 - B) 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.

### ***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 2024, 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 2024, 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 : 14 May 2024**

**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 2024**

	Note	Three months ended 31 March	
		2024 KD	2023 KD
<b>Revenue:</b>			
Revenue from sales and services		1,119,326	1,045,739
Unrealized gain / (loss) from change in fair value of financial assets at fair value through profit or loss		674,882	(610,771)
Dividend income		7,279	12,538
Group's share of results from associates	4	1,393,383	(186,579)
Interest income		287	587
Other income		3,305	5,512
<b>Total revenue</b>		<b>3,198,462</b>	<b>267,026</b>
<b>Expenses and other charges:</b>			
Cost of sales and services		(1,317,391)	(1,608,912)
General and administrative expenses		(506,988)	(582,857)
Provision for expected credit losses	6	(1,052,194)	-
Portfolio management fees		(7,195)	(7,770)
Finance cost		(517,601)	(313,220)
Foreign exchange loss		(57,373)	(37,097)
<b>Total expenses and other charges</b>		<b>(3,458,742)</b>	<b>(2,549,856)</b>
<b>Net loss for the period</b>		<b>(260,280)</b>	<b>(2,282,830)</b>
<b>Attributable to:</b>			
Shareholders of the Parent Company		(101,976)	(1,959,354)
Non-controlling interests		(158,304)	(323,476)
<b>Net loss for the period</b>		<b>(260,280)</b>	<b>(2,282,830)</b>
<b>Basic and diluted loss per share attributable to the shareholders of the Parent Company (Fils)</b>	3	<b>(0.17)</b>	<b>(3.21)</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 2024**

	Note	Three months ended 31 March	
		2024 KD	2023 KD
<b>Net loss for the period</b>		<b>(260,280)</b>	<b>(2,282,830)</b>
<b>Other comprehensive income / (loss) items:</b>			
<i><u>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss</u></i>			
Exchange differences on translating of foreign operations		3,586	2,594
Group's share of other comprehensive income / (loss) of associates	4	314,988	(115,615)
<i><u>Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss</u></i>			
Changes in fair value of financial assets at fair value through other comprehensive income ("FVOCI")		23,944	32,884
<b>Total other comprehensive income / (loss) for the period</b>		<b>342,518</b>	<b>(80,137)</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>82,238</b>	<b>(2,362,967)</b>
<b>Attributable to:</b>			
Shareholders of the Parent Company		239,578	(2,038,267)
Non-controlling interests		(157,340)	(324,700)
<b>Total comprehensive income / (loss) for the period</b>		<b>82,238</b>	<b>(2,362,967)</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 2024

	Note	31 March 2024 KD	(Audited) 31 December 2023 KD	31 March 2023 KD
<b>Assets</b>				
<b>Non-current assets:</b>				
Property, plant and equipment		11,030,451	11,067,670	11,141,779
Intangible assets		-	8	12,472
Investment in associates	4	55,443,976	50,739,856	56,705,300
Financial assets at fair value through other comprehensive income	5	900,933	1,180,830	1,990,233
Accounts receivable and other debit balances	6	3,032,114	3,947,296	3,661,967
<b>Total non-current assets</b>		<b>70,407,474</b>	<b>66,935,660</b>	<b>73,511,751</b>
<b>Current assets:</b>				
Inventories		2,044,897	1,979,779	961,311
Accounts receivable and other debit balances	6	15,030,839	15,220,581	17,815,117
Financial assets at fair value through profit or loss	7	21,090,894	20,416,012	20,079,818
Cash and cash equivalents	8	1,173,700	1,381,659	634,247
<b>Total current assets</b>		<b>39,340,330</b>	<b>38,998,031</b>	<b>39,490,493</b>
<b>Total assets</b>		<b>109,747,804</b>	<b>105,933,691</b>	<b>113,002,244</b>
<b>Equity and liabilities</b>				
<b>Equity:</b>				
Capital		61,000,000	61,000,000	61,000,000
Share premium		17,374,869	17,374,869	17,374,869
Statutory reserve		1,590,532	1,590,532	1,590,532
Fair value reserve of financial assets at FVOCI		(5,824,350)	(6,302,163)	(6,248,687)
Foreign currency translation reserve		890,679	862,344	843,376
Other reserves		(68,361)	23,027	(32,972)
Accumulated losses		(20,493,491)	(20,338,440)	(10,267,412)
<b>Equity attributable to shareholders of the Parent Company</b>		<b>54,469,878</b>	<b>54,210,169</b>	<b>64,259,706</b>
Non-controlling interests		(3,131,012)	(2,973,669)	(2,095,512)
<b>Total equity</b>		<b>51,338,866</b>	<b>51,236,500</b>	<b>62,164,194</b>
<b>Liabilities:</b>				
<b>Non-current liabilities:</b>				
Employees' end of service benefits		1,692,872	1,644,616	1,559,723
Term loans	9	7,497,050	7,683,388	7,409,933
Accounts payable and other credit balances	10	1,798,247	1,798,247	4,862,012
<b>Total non-current liabilities</b>		<b>10,988,169</b>	<b>11,126,251</b>	<b>13,831,668</b>
<b>Current liabilities:</b>				
Term loans	9	17,553,298	16,801,990	17,828,898
Bank overdraft		407,496	451,834	1,445,561
Accounts payable and other credit balances	10	29,459,975	26,317,116	17,731,923
<b>Total current liabilities</b>		<b>47,420,769</b>	<b>43,570,940</b>	<b>37,006,382</b>
<b>Total liabilities</b>		<b>58,408,938</b>	<b>54,697,191</b>	<b>50,838,050</b>
<b>Total equity and liabilities</b>		<b>109,747,804</b>	<b>105,933,691</b>	<b>113,002,244</b>

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

  
**Mansour Khalawi Alfidhli**  
 Chairman



**Privatization Holding Company – K.P.S.C. and its subsidiaries  
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**Interim condensed consolidated statement of changes in equity (Unaudited)**

For the three months period ended 31 March 2024

	Equity attributable to shareholders of the Parent Company																			
	Capital		Share premium		Statutory 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	
As at 31 December 2023	61,000,000	-	17,374,869	-	1,590,532	-	(6,302,163)	-	862,344	-	23,027	-	(20,338,440)	-	54,210,169	-	(2,973,669)	-	51,236,500	-
Net loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(101,976)	-	(101,976)	-	(158,304)	-	(260,280)	-
<b>Other comprehensive income / (loss):</b>																				
Changes in fair value of financial assets at FVOCI	-	-	-	-	-	-	22,971	-	-	-	-	-	-	-	22,971	-	973	-	23,944	-
Exchange differences on translating of foreign operations	-	-	-	-	-	-	-	3,586	-	-	-	-	-	-	3,586	-	-	-	3,586	-
Group's share of other comprehensive income / (loss) of associates (Note 4)	-	-	-	-	-	-	396,134	24,749	(105,886)	-	-	-	-	-	314,997	-	(9)	-	314,988	-
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	419,105	28,335	(105,886)	-	-	-	-	-	341,554	-	964	-	342,518	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	419,105	28,335	(105,886)	-	-	-	(101,976)	-	239,578	-	(157,340)	-	82,238	-
Transferred to accumulated losses due to sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	58,708	-	-	-	-	-	(58,708)	-	-	-	-	-	-	-
Share of other reserves of associates (Note 4)	-	-	-	-	-	-	-	-	14,498	-	14,498	-	5,633	-	20,131	-	(3)	-	20,128	-
<b>As at 31 March 2024</b>	<b>61,000,000</b>	<b>-</b>	<b>17,374,869</b>	<b>-</b>	<b>1,590,532</b>	<b>-</b>	<b>(5,824,350)</b>	<b>890,679</b>	<b>890,679</b>	<b>-</b>	<b>(68,361)</b>	<b>(20,493,491)</b>	<b>(54,469,878)</b>	<b>(3,131,012)</b>	<b>54,469,878</b>	<b>(3,131,012)</b>	<b>(3,131,012)</b>	<b>(3,131,012)</b>	<b>51,338,866</b>	<b>-</b>

Privatization Holding Company – K.P.S.C. and its subsidiaries  
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Interim condensed consolidated statement of changes in equity (Unaudited)

For the three months period ended 31 March 2024

	Equity attributable to shareholders of the Parent Company													
	Capital		Share premium		Statutory reserve		Fair value		Other reserves		Non-controlling interests		Total Equity	
	KD	KD	KD	KD	KD	KD	FVOCI	Foreign currency translation reserve	Other reserves	Accumulated losses	Sub-total	KD	KD	KD
As at 31 December 2022 (Restated)	61,000,000	17,374,869	1,590,532	(5,695,488)	829,456	(548,894)	-	-	(8,304,847)	66,245,628	(1,770,820)	64,474,808		
Net loss for the period	-	-	-	-	-	-	-	-	(1,959,354)	(1,959,354)	(323,476)	(2,282,830)		
<b>Other comprehensive (loss) / income:</b>														
Changes in fair value of financial assets at FVOCI	-	-	-	34,110	-	-	-	-	-	-	34,110	(1,226)	32,884	
Exchange differences on translating of foreign operations	-	-	-	-	2,594	-	-	-	-	-	2,594	-	2,594	
Group's share of other comprehensive (loss) / income of associates (Note 4)	-	-	-	(587,309)	11,326	460,366	-	-	-	-	(115,617)	2	(115,615)	
Other comprehensive (loss) / income for the period	-	-	-	(553,199)	13,920	460,366	-	-	-	-	(78,913)	(1,224)	(80,137)	
Total comprehensive (loss) / income for the period	-	-	-	(553,199)	13,920	460,366	-	-	(1,959,354)	(2,038,267)	(324,700)	(2,362,967)		
Share of other reserves of associates (Note 4)	-	-	-	-	-	55,556	-	-	(3,211)	52,345	8	52,353		
<b>As at 31 March 2023</b>	<b>61,000,000</b>	<b>17,374,869</b>	<b>1,590,532</b>	<b>(6,248,687)</b>	<b>843,376</b>	<b>(32,972)</b>	<b>(10,267,412)</b>	<b>64,259,706</b>	<b>(2,095,512)</b>	<b>62,164,194</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 2024

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(260,280)	(2,282,830)
<i>Adjustments for:</i>		
Unrealized (gain) / loss from change in fair value on financial assets at fair value through profit or loss	(674,882)	610,771
Dividend income	(7,279)	(12,538)
Group's share of results from associates	(1,393,383)	186,579
Interest income	(287)	(587)
Depreciation	67,903	94,850
Provision for expected credit losses	1,052,194	-
Finance cost	517,601	313,220
Foreign exchange loss	57,373	37,097
Provision for employees' end of service benefits	48,256	91,242
	<u>(592,784)</u>	<u>(962,196)</u>
<b>Change in operating assets and liabilities:</b>		
Inventories	(65,118)	800,144
Financial assets at fair value through profit or loss	-	5,816
Accounts receivable and other debit balances	39,142	392,824
Accounts payable and other credit balances	69,492	(3,485,129)
<b>Net cash flows used in operating activities</b>	<u>(549,268)</u>	<u>(3,248,541)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(9,760)	(4,979)
Proceeds from sale of property, plant and equipment	-	956
Proceeds from sale of financial assets at fair value through other comprehensive income	303,841	-
Interest income received	287	587
Dividend income received	7,279	12,538
<b>Net cash flows from investing activities</b>	<u>301,647</u>	<u>9,102</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from term loans	1,377,249	6,018,496
Payment of term loans	(819,285)	(3,065,812)
Bank overdraft	(44,338)	28,305
Finance cost paid	(419,862)	(178,489)
<b>Net cash flows from financing activities</b>	<u>93,764</u>	<u>2,802,500</u>
Net decrease in cash and cash equivalents	(153,857)	(436,939)
Foreign currency translation adjustment	(54,102)	(5,730)
Cash and cash equivalents at the beginning of the period	1,381,659	1,076,916
<b>Cash and cash equivalents at the end of the period (Note 8)</b>	<u>1,173,700</u>	<u>634,247</u>

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**

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

For the three months period ended 31 March 2024

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**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 14 May 2024.

**2. Basis of presentation and significant accounting policies**

**Basis of presentation**

This interim condensed consolidated financial information has been prepared in accordance with the International Accounting Standard 34, “Interim Financial Reporting”. The interim condensed consolidated financial information does not include all the information and disclosures required for preparation of complete annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the interim condensed consolidated financial information statements have been included.

This interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) which is the functional and presentation currency of the Parent Company.

Operating results for the three month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further information, refer to the annual audited consolidated financial statements for the year ended 31 December 2023.

**Standards, interpretation and amendments issued and adopted by the Group**

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The new standards and amendments that are effective for annual reporting periods beginning on or after 1 January 2024. These amendments did not have material impact on the financial position or the performance of the Group.

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

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

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**Notes to the interim condensed consolidated financial information (Unaudited)**  
For the three months period ended 31 March 2024

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

	Three months ended 31 March	
	2024	2023
Net loss for the period attributable to the shareholders of the Parent Company (KD)	<u>(101,976)</u>	<u>(1,959,354)</u>
Weighted average number of outstanding shares (shares)	<u>610,000,000</u>	<u>610,000,000</u>
Basic and diluted loss per share attributable to shareholders of the Parent Company (fils)	<u>(0.17)</u>	<u>(3.21)</u>

**4. Investment in associates**

	31 March 2024	(Audited) 31 December 2023	31 March 2023
	KD	KD	KD
Balance at the beginning of the period / year	50,739,856	56,955,141	56,955,141
Additions (a)	2,975,621	1,320,600	-
Cash dividends received from associates	-	(1,922,037)	-
Group's share of results from associates	1,393,383	(1,724,302)	(186,579)
Impairment loss	-	(4,763,932)	-
Group's share of other comprehensive income / (loss) from associates' cumulative changes in fair value	396,134	79,810	(587,309)
Group's share of other comprehensive income from associates' foreign currency translation adjustment	24,740	22,955	11,328
Group's share of other comprehensive (loss) / income from associates' other reserves	(105,886)	452,969	460,366
Other reserves	20,128	318,652	52,353
Balance at end of the period / year	<u>55,443,976</u>	<u>50,739,856</u>	<u>56,705,300</u>

a) Additions during the period ended 31 March 2024 represent additions in J3 For Management & Development of Lands and Real Estate Company - W.L.L. paid by related parties amounting KD 2,975,621.

Investment in associates amounting to KD 39,167,152 (31 December 2023: KD 37,645,022, 31 March 2023: KD 46,846,675) are secured against certain term loans (Note 9).

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

	31 March 2024	(Audited) 31 December 2023	31 March 2023
	KD	KD	KD
Quoted securities	92,723	372,914	449,662
Unquoted securities	353,798	354,463	941,754
Funds and portfolios	454,412	453,453	598,817
	<u>900,933</u>	<u>1,180,830</u>	<u>1,990,233</u>

Financial assets at fair value through other comprehensive income amounting to KD 532,817 (31 December 2023: KD 531,157, 31 March 2023: KD 1,044,295) are secured against certain term loans (Note 9).

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**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
For the three months period ended 31 March 2024

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

	<b>31 March 2024</b>	<b>(Audited) 31 December 2023</b>	<b>31 March 2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Trade receivables	8,534,301	8,544,377	9,300,336
Due from related parties (Note 12)	6,021,180	5,883,170	4,376,168
Interest receivable	3,000,000	3,000,000	3,000,000
Prepaid expenses and accrued income	78,765	64,116	119,845
Advances to project under progress	6,017,126	6,017,126	6,017,126
Advances to suppliers	311,135	435,806	547,783
Receivable from sale of investment in an associate	-	-	801,065
Other debit balances	643,131	713,773	739,564
	<b>24,605,638</b>	<b>24,658,368</b>	<b>24,901,887</b>
Provision for expected credit losses (a)	<b>(6,542,685)</b>	<b>(5,490,491)</b>	<b>(3,424,803)</b>
	<b>18,062,953</b>	<b>19,167,877</b>	<b>21,477,084</b>

a) The movement on provision for expected credit losses is as follows:

	<b>31 March 2024</b>	<b>(Audited) 31 December 2023</b>	<b>31 March 2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Balance at the beginning of the period / year	5,490,491	3,424,803	3,424,803
Charge for the period / year	1,052,194	2,065,688	-
Balance at the end of the period / year	<b>6,542,685</b>	<b>5,490,491</b>	<b>3,424,803</b>

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

	<b>31 March 2024</b>	<b>(Audited) 31 December 2023</b>	<b>31 March 2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Non-current portion	3,032,114	3,947,296	3,661,967
Current portion	15,030,839	15,220,581	17,815,117
	<b>18,062,953</b>	<b>19,167,877</b>	<b>21,477,084</b>

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

	<b>31 March 2024</b>	<b>(Audited) 31 December 2023</b>	<b>31 March 2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Quoted securities	10,587,447	9,042,437	9,079,405
Unquoted security	10,414,925	11,285,240	10,890,894
Mutual funds	88,522	88,335	109,519
	<b>21,090,894</b>	<b>20,416,012</b>	<b>20,079,818</b>

At 31 March 2024, the Group held certain equity securities of related parties with a carrying value of KD 2,876,143 (31 December 2023: KD 2,570,881, 31 March 2023: KD 2,193,682) (Note 12).

Financial assets at fair value through profit or loss amounting to KD 19,010,002 (31 December 2023: KD 18,265,036, March 2023: KD 18,520,768) are pledged against certain term loans (Note 9).

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**8. Cash and cash equivalents**

	<b>31 March 2024</b>	<b>(Audited) 31 December 2023</b>	<b>31 March 2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Cash on hand and at banks	1,092,286	1,288,859	460,804
Cash at portfolios	81,414	92,800	155,377
Restricted cash*	-	-	18,066
	<u>1,173,700</u>	<u>1,381,659</u>	<u>634,247</u>

\*This balance represents cash restricted against bank facilities.

**9. Term loans**

	<b>31 March 2024</b>	<b>(Audited) 31 December 2023</b>	<b>31 March 2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Term loans obtained from local financial institutions and a related party and carry interest rate ranging from 1.5% to 4% per annum over the Central Bank of Kuwait discount rate	16,869,406	16,786,809	17,218,604
Term loans obtain from a foreign financial institutions and carry interest rate at 11.5% per annum	8,180,942	7,698,569	8,020,227
	<u>25,050,348</u>	<u>24,485,378</u>	<u>25,238,831</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 2024</b>	<b>(Audited) 31 December 2023</b>	<b>31 March 2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Non-current portion	7,497,050	7,683,388	7,409,933
Current portion	17,553,298	16,801,990	17,828,898
	<u>25,050,348</u>	<u>24,485,378</u>	<u>25,238,831</u>

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

	<b>31 March 2024</b>	<b>(Audited) 31 December 2023</b>	<b>31 March 2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Trade payables	3,247,614	2,672,093	2,114,452
Due to related parties (Note 12)	22,928,354	19,868,208	15,362,991
Accrued expenses and other liabilities	5,082,254	5,575,062	5,116,492
	<u>31,258,222</u>	<u>28,115,363</u>	<u>22,593,935</u>

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

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

	<b>31 March</b>	<b>(Audited)</b>	
	<b>2024</b>	<b>31 December</b>	<b>31 March</b>
	<b>KD</b>	<b>2023</b>	<b>2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Non-current portion	1,798,247	1,798,247	4,862,012
Current portion	<u>29,459,975</u>	<u>26,317,116</u>	<u>17,731,923</u>
	<u>31,258,222</u>	<u>28,115,363</u>	<u>22,593,935</u>

**11. Annual General Assembly of the Parent Company's Shareholder**

The Annual General Assembly of the Parent Company's Shareholders for the year ended 31 December 2023 has not been held until the date of preparation of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year then ended have not been approved by the Annual General Assembly of the Parent Company's Shareholders.

The Parent Company's Shareholders' Annual General Assembly meeting held on 16 May 2023 approved the consolidated financial statements for the year ended 31 December 2022 and approved not to distribute cash dividends and Board of Directors' remuneration for the year ended 31 December 2022.

**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:

<b><u>Transactions included in interim condensed consolidated statement of profit or loss:</u></b>	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>KD</b>	<b>KD</b>
Interest income	20	59
Portfolio management fees	3,222	4,174
Finance cost	49,498	39,854

<b><u>Balances included in interim condensed consolidated statement of financial position</u></b>	<b>31 March</b>	<b>(Audited)</b>	
	<b>2024</b>	<b>31 December</b>	<b>31 March</b>
	<b>KD</b>	<b>2023</b>	<b>2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Financial assets at FVOCI	58,857	58,608	50,391
Due from related parties (Note 6) (net of provision for expected credit losses)	3,039,743	3,953,483	4,376,168
Financial assets at fair value through profit or loss	2,876,143	2,570,881	2,193,682
Cash with portfolios managers	78,969	90,047	109,128
Term loans	500,000	500,000	500,000
Due to related parties (Note 10)	<u>22,928,354</u>	<u>19,868,208</u>	<u>15,362,991</u>

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

	Three months ended 31 March	
	2024	2023
<u>Compensation of key management personnel</u>	KD	KD
Short term benefits	148,741	118,461
End of service benefits	27,118	38,926

**13. Capital commitments and contingencies**

	31 March 2024	(Audited) 31 December 2023	31 March 2023
	KD	KD	KD
<b>Capital commitments</b>			
Project commitments	9,532,483	12,782,483	13,981,272
Other commitments	932,232	930,360	407,573
	<u>10,464,715</u>	<u>13,712,843</u>	<u>14,388,845</u>

**Contingencies**

- A. At the reporting date, the Group has provided performance bank guarantees to a customer and suppliers amounting to KD 2,779,624 (31 December 2023: KD 2,779,624, 31 March 2023: KD 3,605,935) and to Public Authority for housing Welfare KD 3,120,180 (31 December 2023: KD 3,120,180, 31 March 2023: KD 3,120,180) from which it is anticipated that no material liabilities will arise.
- B. 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 instalments 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 11,049,644 (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. on 13 June 2022, a verdict had issued dismissing the case, and judgment was appealed. On 28 September 2022 the "Court of Appeal" issued its verdict affirming the verdict issued by the "Court of First Instance" and it's appealed in the "Court of Cassation" and the appeal was rejected by Counseling room on 30 May 2023. The management believes that the bank cannot implement the guarantee bond on the Parent Company at the present time.

The Group's management believes that the Parent Company is neither a party nor obligated by the guarantee agreement and its is not possible to estimate any financial impact that could arise from these lawsuits. Further, according to the Group's lawyer's opinion, there is no expected financial effect on the Group.

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**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 2024</b>			
Segment revenue	<u>2,081,162</u>	<u>1,117,300</u>	<u>3,198,462</u>
Segment profit / (loss) before finance cost, foreign exchange loss	<u>1,705,365</u>	<u>(1,390,671)</u>	<u>314,694</u>
Finance cost plus foreign exchange loss	<u>(352,602)</u>	<u>(222,372)</u>	<u>(574,974)</u>
Profit / (loss) before taxation	<u>1,352,763</u>	<u>(1,613,043)</u>	<u>(260,280)</u>
Segment assets	<u>82,941,753</u>	<u>26,806,051</u>	<u>109,747,804</u>
Segment liabilities (excluding term loans)	<u>(14,770,370)</u>	<u>(18,588,220)</u>	<u>(33,358,590)</u>
Segment net assets before term loans	<u>68,171,383</u>	<u>8,217,831</u>	<u>76,389,214</u>
Term loans	<u>(15,069,470)</u>	<u>(9,980,878)</u>	<u>(25,050,348)</u>
Net assets	<u>53,101,913</u>	<u>(1,763,047)</u>	<u>51,338,866</u>
	<u>Investment</u> KD	<u>Others</u> KD	<u>Total</u> KD
<b>Three months ended 31 March 2023</b>			
Segment revenue	<u>(771,531)</u>	<u>1,038,557</u>	<u>267,026</u>
Segment loss before finance cost, foreign exchange loss	<u>(1,129,883)</u>	<u>(802,630)</u>	<u>(1,932,513)</u>
Finance cost plus foreign exchange loss loss before taxation	<u>(301,017)</u>	<u>(49,300)</u>	<u>(350,317)</u>
	<u>(1,430,900)</u>	<u>(851,930)</u>	<u>(2,282,830)</u>
Segment assets	<u>81,212,800</u>	<u>31,789,444</u>	<u>113,002,244</u>
Segment liabilities (excluding term loans)	<u>(13,145,315)</u>	<u>(12,453,904)</u>	<u>(25,599,219)</u>
Segment net assets before term loans	<u>68,067,485</u>	<u>19,335,540</u>	<u>87,403,025</u>
Term loans	<u>(15,060,306)</u>	<u>(10,178,525)</u>	<u>(25,238,831)</u>
Net assets	<u>53,007,179</u>	<u>9,157,015</u>	<u>62,164,194</u>



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**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 2024</b>	<b>(Audited) 31 December 2023</b>	<b>31 March 2023</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Financial assets:</b>			
<i>Financial assets at fair value through other comprehensive income:</i>			
Financial assets at fair value through other comprehensive income	<b>900,933</b>	1,180,830	1,990,233
<i>Financial assets at amortised cost:</i>			
Accounts receivable and other debit balances (excluding prepayments and advances)	<b>11,655,927</b>	12,650,829	14,792,330
Cash and cash equivalents	<b>1,173,700</b>	1,381,659	634,247
<i>Financial assets at fair value through profit or loss:</i>			
Financial assets at fair value through profit or loss	<b>21,090,894</b>	20,416,012	20,079,818
	<b>34,821,454</b>	35,629,330	37,496,628
<b>Financial liabilities:</b>			
<i>Financial liabilities at amortised cost:</i>			
Term loans	<b>25,050,348</b>	24,485,378	25,238,831
Accounts payable and other credit balances (excluding advances)	<b>30,879,004</b>	27,642,493	22,252,742
Bank overdraft	<b>407,496</b>	451,834	1,445,561
	<b>56,336,848</b>	52,579,705	48,937,134

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**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 2024</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	92,723	-	-	92,723
Funds and portfolio	-	454,412	-	454,412
Unquoted securities	-	-	353,798	353,798
<b>Financial assets at fair value through profit or loss:</b>				
Quoted securities	10,587,447	-	-	10,587,447
Mutual funds	-	88,522	-	88,522
Unquoted securities	-	704,251	9,710,674	10,414,925
	<u>10,680,170</u>	<u>1,247,185</u>	<u>10,064,472</u>	<u>21,991,827</u>
<b>31 December 2023 (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	372,914	-	-	372,914
Funds and portfolio	-	453,453	-	453,453
Unquoted securities	-	-	354,463	354,463
<b>Financial assets at fair value through profit or loss:</b>				
Quoted securities	9,042,437	-	-	9,042,437
Mutual funds	-	88,335	-	88,335
Unquoted securities	-	856,267	10,428,973	11,285,240
	<u>9,415,351</u>	<u>1,398,055</u>	<u>10,783,436</u>	<u>21,596,842</u>

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

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

<b>31 March 2023</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	449,662	-	-	449,662
Funds and portfolio	-	598,817	-	598,817
Unquoted securities	-	-	941,754	941,754
<b>Financial assets at fair value through profit or loss:</b>				
Quoted securities	9,079,405	-	-	9,079,405
Mutual funds	-	109,519	-	109,519
Unquoted securities	-	229,179	10,661,715	10,890,894
	<u>9,529,067</u>	<u>937,515</u>	<u>11,603,469</u>	<u>22,070,051</u>

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