

**Senergy Holding Company K.S.C.P.
and its Subsidiaries**

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

31 MARCH 2023



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF SENERGY HOLDING COMPANY K.S.C.P.

Report on Review of Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Senergy Holding Company K.S.C.P. (“the Parent Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2023, and the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of cash flows and the interim condensed consolidated statement of changes in equity for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with 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 the 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 accounts of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or the Parent Company’s Articles of Association and Memorandum of Incorporation, as amended, during the three months period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF SENERGY HOLDING COMPANY K.S.C.P. (continued)

Report on other Legal and Regulatory Requirements (continued)

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 three months period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its financial position.



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


3 May 2023
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2023

		<i>(Audited)</i>	
	<i>Notes</i>	<i>31 March</i> <i>2023</i> <i>KD</i>	<i>31 December</i> <i>2022</i> <i>KD</i>
			<i>31 March</i> <i>2022</i> <i>KD</i>
ASSETS			
Non-current assets			
Goodwill and intangible assets		2,600,686	2,591,020
Property, plant and equipment		2,716,073	2,691,021
Investment properties		828,690	878,686
Financial assets at fair value through other comprehensive income		31,103	58,660
Term deposits		2,151,614	2,153,447
		<u>8,328,166</u>	<u>8,372,834</u>
Current assets			
Inventories		612,837	785,208
Term deposits		309,561	166,765
Receivables from related parties	3	316,294	331,929
Trade and other receivables		2,594,109	2,613,183
Financial assets at fair value through profit or loss	3	69,739	185,743
Cash and cash equivalents	4	1,288,479	1,624,326
		<u>5,191,019</u>	<u>5,707,154</u>
TOTAL ASSETS		<u><u>13,519,185</u></u>	<u><u>14,079,988</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	5	20,000,000	20,000,000
Share premium		181,866	181,866
Treasury shares	5	(181,866)	(181,866)
Treasury shares reserve	5	27,456	27,456
Fair value reserve		(76,612)	(46,226)
Foreign currency translation reserve		(643,934)	(372,306)
Accumulated losses		(9,542,796)	(9,473,108)
Equity attributable to equity holders of the Parent Company		<u>9,764,114</u>	<u>10,135,816</u>
Non-controlling interests		1,602,263	1,661,096
Total equity		<u><u>11,366,377</u></u>	<u><u>11,796,912</u></u>
Non-current liabilities			
Murabaha facilities		51,184	-
Employees' end of service benefits		635,894	626,233
Trade and other payables		26,621	25,822
Lease liabilities		15,015	34,713
		<u>728,714</u>	<u>686,768</u>
Current liabilities			
Murabaha facilities		124,374	-
Trade and other payables		1,291,771	1,586,377
Lease liabilities		7,949	9,931
		<u>1,424,094</u>	<u>1,596,308</u>
Total liabilities		<u><u>2,152,808</u></u>	<u><u>2,283,076</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>13,519,185</u></u>	<u><u>14,079,988</u></u>


Meshal Abdulrahman Al Enezi
Chairman


Mohammad Hamad Al Salem
Vice Chairman & CEO

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 31 March 2023

	Notes	Three months ended	
		31 March	
		2023	2022
		KD	KD
Revenue from contracts with customers	6	741,915	538,602
Cost of sales of goods and services rendered		(497,803)	(531,212)
GROSS PROFIT		244,112	7,390
Rental income		68,078	61,178
Commission income		4,727	38,791
Income from Islamic deposits		55,561	15,022
Net foreign exchange differences		(21,845)	(2,381)
Net reversal of (charge for) impairment losses and other provisions		15,509	(29,303)
Net change in fair value of financial assets at fair value through profit or loss		(12,791)	91,181
Other income		20,489	20,533
TOTAL INCOME		373,840	202,411
General and administrative expenses		(314,592)	(349,517)
Finance costs		(3,062)	(1,270)
TOTAL EXPENSES		(317,654)	(350,787)
PROFIT (LOSS) BEFORE TAX		56,186	(148,376)
Taxation from foreign subsidiaries		(5,112)	(3,987)
Contribution Kuwait Foundation for Advancement of Sciences ("KFAS")		(2,052)	-
Zakat		(2,395)	(358)
PROFIT (LOSS) FOR THE PERIOD		46,627	(152,721)
Attributable to:			
Equity holders of the Parent Company		25,966	(136,876)
Non-controlling interests		20,661	(15,845)
		46,627	(152,721)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	7	0.13 Fils	(0.69) Fils

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
	KD	KD
PROFIT (LOSS) FOR THE PERIOD	46,627	(152,721)
Other comprehensive (loss) income:		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(196,092)	(11,630)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Net change in fair value of equity instruments designated at fair value through other comprehensive income	-	27,305
Other comprehensive (loss) income for the period	(196,092)	15,675
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(149,465)	(137,046)
Attributable to:		
Equity holders of the Parent Company	(109,431)	(123,914)
Non-controlling interests	(40,034)	(13,132)
	(149,465)	(137,046)

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2023

	<i>Attributable to the equity holders of the Parent Company</i>									
	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Treasury shares reserve</i>	<i>Fair value reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Sub-total</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at 1 January 2023	20,000,000	181,866	(181,866)	27,456	(76,612)	(508,537)	(9,568,762)	9,873,545	1,642,297	11,515,842
Profit for the period	-	-	-	-	-	-	25,966	25,966	20,661	46,627
Other comprehensive loss for the period	-	-	-	-	-	(135,397)	-	(135,397)	(60,695)	(196,092)
Total comprehensive (loss) income for the period	-	-	-	-	-	(135,397)	25,966	(109,431)	(40,034)	(149,465)
At 31 March 2023	20,000,000	181,866	(181,866)	27,456	(76,612)	(643,934)	(9,542,796)	9,764,114	1,602,263	11,366,377

	<i>Attributable to the equity holders of the Parent Company</i>									
	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Treasury shares reserve</i>	<i>Fair value reserve</i>	<i>Foreign currency translation reserve</i>	<i>Accumulated losses</i>	<i>Sub-total</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at 1 January 2022	20,000,000	181,866	(181,866)	27,456	(73,531)	(357,963)	(9,337,616)	10,258,346	1,677,990	11,936,336
Loss for the period	-	-	-	-	-	-	(136,876)	(136,876)	(15,845)	(152,721)
Other comprehensive income for the period	-	-	-	-	27,305	(14,343)	-	12,962	2,713	15,675
Total comprehensive income (loss) for the period	-	-	-	-	27,305	(14,343)	(136,876)	(123,914)	(13,132)	(137,046)
Acquisition of non-controlling interests in a subsidiary without change in control	-	-	-	-	-	-	1,384	1,384	(3,762)	(2,378)
At 31 March 2022	20,000,000	181,866	(181,866)	27,456	(46,226)	(372,306)	(9,473,108)	10,135,816	1,661,096	11,796,912

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 31 March 2023

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Note</i>	2023	2022
		KD	KD
OPERATING ACTIVITIES			
Profit (loss) before tax		56,186	(148,376)
<i>Non-cash adjustments to reconcile profit (loss) before tax to net cash flows:</i>			
Depreciation of property, plant and equipment		128,600	132,380
Depreciation of investment properties		17,029	16,592
(Reversal of) charge for expected credit losses of trade receivables		(8,371)	29,303
Reversal of other provisions		(7,138)	-
Finance costs		3,062	1,270
Income from Islamic deposits		(55,561)	(15,022)
Provision for employees' end of service indemnity		37,014	35,580
Net change in fair value of financial assets at fair value through profit or loss		12,791	(91,181)
Amortisation of intangible assets		627	1,203
		184,239	(38,251)
<i>Working capital adjustments:</i>			
Inventories		8,027	39,087
Trade and other receivables		(256,634)	1,196,836
Amounts due from related parties		(2,619)	(10,260)
Trade and other payables		(74,226)	(557,292)
Cash flows (used in) from operations		(141,213)	630,120
Taxes paid		7,119	(3,987)
End of service benefits paid		-	(20,822)
Net cash flows (used in) from operating activities		(134,094)	605,311
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(94,981)	(99,217)
Proceeds from sale of financial assets at fair value through other comprehensive income		16	160,099
Proceeds from sale of financial assets at fair value through profit or loss		103	2,537
Movement in wakala deposits		(106,208)	(81,958)
Islamic deposits income received		55,561	15,022
Net cash flows used in investing activities		(145,509)	(3,517)
FINANCING ACTIVITIES			
Net proceeds from Murabaha facilities		175,558	-
Payment of principal portion of lease liabilities		(5,140)	(6,876)
Acquisition of non-controlling interests without change in control		-	(2,378)
Finance costs paid		(2,378)	-
Net cash flows from (used in) financing activities		168,040	(9,254)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(111,563)	592,540
Cash and cash equivalents at 1 January		1,557,602	1,034,212
Net foreign exchange differences		(157,560)	(2,426)
CASH AND CASH EQUIVALENTS AT 31 MARCH	4	1,288,479	1,624,326
Non-cash transactions excluded from the statement of cash flows:			
Additions to lease liabilities		-	50,250
Additions to right of use assets (included within property, plant and equipment)		-	(50,250)

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2023

1. CORPORATE INFORMATION

The interim condensed consolidated financial information of Senergy Holding Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2023 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 2 May 2023.

The annual general assembly meeting (“AGM”) of the Parent Company for the year ended 31 December 2022 has not been held yet. Accordingly, the shareholders of the Parent Company have not yet approved the consolidated financial statements for the year ended 31 December 2022. The interim condensed consolidated financial information for the three months period ended 31 March 2023 do not include any adjustments, which might have been required.

The Parent Company was incorporated in the State of Kuwait on 22 March 1983 and its shares are publicly traded on Boursa Kuwait. The Parent Company’s registered office is located at Ahmadi Block 8, Building 42 – Gulf International General Trading & Contracting Co. Mezzanine, and its registered postal address is P.O. Box 47582, Fahaheel 64204, State of Kuwait.

The Parent Company carries out its activities in accordance with Islamic Shari‘a principles, as approved by the Parent Company’s Fatwa and Shari‘a Supervisory Board. The principal activities as defined in the Parent Company’s Articles of Association are, as follows:

- ▶ Owning shares of Kuwaiti or foreign shareholding and limited liabilities companies as well as participating in forming, administering, financing, and providing third party guarantees for these companies.
- ▶ Financing companies owned or guaranteeing them against third parties provided that the contribution ratio of the holding company in the capital of these companies shall not be less than at least 20%.
- ▶ Owning industrial rights for patents, trade names, designs and leasing the same to other companies for their use inside or outside Kuwait.
- ▶ Owning movable and real estate properties that are necessary to practice its activities in accordance to the law.
- ▶ Use of surplus funds available with the Parent Company by investing it in portfolios managed by specialized companies.

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

2.1 Basis of preparation

The interim condensed consolidated financial information for the three months ended 31 March 2023 have been prepared in accordance with International Accounting Standard 34 “*Interim Financial Reporting*” (“IAS 34”).

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.

Further, results for the three-month period ended 31 March 2023, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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 a material impact on the interim condensed consolidated financial information of the Group.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 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.

3 RELATED PARTY DISCLOSURES

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

The following table provides the transactions that have been entered into with related parties during the three months ended 31 March 2023 and 2022, as well as balances with related parties as at 31 March 2023, 31 December 2022 and 31 March 2022:

	<i>31 March</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>31 March</i> <i>2022</i> <i>KD</i>
Balances included in the interim condensed consolidated statement of financial position:			
Financial assets at fair value through profit or loss - <i>Major shareholders</i>	69,739	82,633	185,743
Receivables from related parties – <i>Other related parties</i>	316,294	313,675	331,929

Transactions carried out with related parties during the period were as follows:

	<i>Three months ended</i> <i>31 March</i>	
	<i>2023</i> <i>KD</i>	<i>2022</i> <i>KD</i>
Transactions included in the interim condensed consolidated statement of profit or loss:		
<i>Major shareholder</i>		
General and administrative expenses	103	164

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2023

3 RELATED PARTY DISCLOSURES (continued)

Terms and conditions of transactions with related parties

Transactions with related parties are made on terms approved by management. Outstanding balances at the reporting are unsecured, interest free and repayable on demand. There have been no guarantees provided or received for any related party receivables or payables.

Transactions with key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Transaction values for the three months ended 31 March</i>		<i>Balance outstanding as at 31 March</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>Key management personnel benefits and salaries:</i>				
Salaries and other short-term benefits	50,498	57,240	8,324	13,844
End of service benefits	3,528	4,225	78,818	40,690
	54,026	61,465	87,142	54,534

4 CASH AND CASH EQUIVALENTS

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

	<i>31 March 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>31 March 2022 KD</i>
Cash on hand	29,525	22,235	21,566
Cash at banks	1,258,954	1,535,367	1,470,760
Short-term deposits	-	-	132,000
Total cash and cash equivalents	1,288,479	1,557,602	1,624,326

Cash at banks earns profits at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of less than three months depending on the immediate cash requirements of the Group and earn profits at the respective short-term deposit rates.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2023

5 SHARE CAPITAL AND TREASURY SHARES

5.1 Share capital

The authorised, issued and fully paid-up capital of the Parent Company as at 31 March 2023 comprises of 200,000,000 (31 December 2022: 200,000,000 and 31 March 2022: 200,000,000) shares of 100 fils each. All shares are paid in cash.

5.2 Treasury shares

	31 March 2023	<i>(Audited)</i> 31 December 2022	31 March 2022
Number of shares	277,468	277,468	277,468
Percentage of issued shares (%)	0.14%	0.14%	0.14%
Market value (KD)	11,099	11,099	13,041
Cost (KD)	181,866	181,866	181,866

Reserves equivalent to the cost of the treasury shares held are not available for distribution during the holding period of such shares as per CMA guidelines.

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>Three months ended</i> 31 March	
	2023 <i>KD</i>	2022 <i>KD</i>
Type of revenue		
Sale of goods	7,508	38,803
Rendering of services	734,407	499,799
	741,915	538,602
Timing of revenue recognition		
Goods transferred at a point in time	7,508	38,803
Services transferred over time	734,407	499,799
	741,915	538,602
Geographical markets		
Kuwait	581,361	451,757
Pakistan	160,554	86,845
	741,915	538,602

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2023

7 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share amounts are calculated by dividing the profit (loss) for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing the profit (loss) 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 (loss) per share are identical.

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
Profit (loss) for the period attributable to equity holders of the Parent Company (KD)	25,966	(136,876)
Weighted average number of shares outstanding (shares)*	199,722,532	199,722,532
Basic and diluted earnings (loss) per share (fils)	0.13	(0.69)

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period, if any.

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 require the restatement of earnings (loss) per share.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2023

8 SEGMENT INFORMATION

The Group considers that the operating units which offer products and special services constitute segments that are disclosed and reported as follows:

- ▶ Investment management: The investment management segment is responsible for investing surplus funds in portfolios to maximise returns, incorporate or acquire subsidiaries and associates to expand the Group's operations, and to maintain an adequate capital base to sustain future development of the business.
- ▶ Drilling and maintenance: Support activities to drilling of oil wells and related maintenance.

	<i>Three months ended</i> <i>31 March 2023 (Unaudited)</i>			<i>Three months ended</i> <i>31 March 2022 (Unaudited)</i>		
	<i>Investment management</i> <i>KD</i>	<i>Drilling and maintenance</i> <i>KD</i>	<i>Total</i> <i>KD</i>	<i>Investment management</i> <i>KD</i>	<i>Drilling and maintenance</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Revenue from contracts with customers	76	741,839	741,915	18,788	519,814	538,602
Rental income	68,078	-	68,078	61,178	-	61,178
Commission revenue	-	4,727	4,727	124	38,667	38,791
Income from Islamic deposits	-	55,561	55,561	-	15,022	15,022
Net foreign exchange differences	(23,053)	1,208	(21,845)	(2,611)	230	(2,381)
Net reversal of (charge for) impairment losses and other provisions	1,993	13,516	15,509	-	(29,303)	(29,303)
Net change in fair value of financial assets at fair value through profit or loss	(12,791)	-	(12,791)	91,181	-	91,181
Other income, net	9,283	11,206	20,489	3,663	16,870	20,533
Total income	43,586	828,057	871,643	172,323	561,300	733,623
Cost of sales of goods and services rendered	(26,025)	(471,778)	(497,803)	(20,268)	(510,944)	(531,212)
General and administrative expenses	(226,116)	(88,476)	(314,592)	(253,044)	(96,473)	(349,517)
Finance costs	-	(3,062)	(3,062)	-	(1,270)	(1,270)
Taxation from foreign subsidiaries	-	(5,112)	(5,112)	-	(3,987)	(3,987)
Contribution Kuwait Foundation for Advancement of Sciences ("KFAS")	-	(2,052)	(2,052)	-	-	-
Zakat	-	(2,395)	(2,395)	-	(358)	(358)
Total expenses and other charges	(252,141)	(572,875)	(825,016)	(273,312)	(613,032)	(886,344)
Segment (loss) profit	(208,555)	255,182	46,627	(100,989)	(51,732)	(152,721)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2023

8 SEGMENT INFORMATION (continued)

	<i>31 March 2023 (Unaudited)</i>			<i>31 December 2022 (Audited)</i>			<i>31 March 2022 (Unaudited)</i>		
	<i>Investment management KD</i>	<i>Drilling and maintenance KD</i>	<i>Total KD</i>	<i>Investment management KD</i>	<i>Drilling and maintenance KD</i>	<i>Total KD</i>	<i>Investment management KD</i>	<i>Drilling and maintenance KD</i>	<i>Total KD</i>
Total assets	5,992,877	7,526,308	13,519,185	5,598,847	7,946,967	13,545,814	5,387,231	8,692,757	14,079,988
Total liabilities	864,482	1,288,326	2,152,808	774,198	1,255,774	2,029,972	251,971	2,031,105	2,283,076
Goodwill and intangible assets	1,099,096	1,501,590	2,600,686	1,099,481	1,502,902	2,602,383	1,096,653	1,494,367	2,591,020

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2023

9 FAIR VALUE MEASUREMENT

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

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of its assets and liabilities by valuation technique:

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

The following table provides the fair value measurement hierarchy of the Group's financial instruments recognised at fair value on a recurring basis:

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
<i>As at 31 March 2023</i>			
Financial assets at FVTPL:			
Quoted equity securities	69,079	-	69,079
Unquoted equity securities	-	660	660
	<u>69,079</u>	<u>660</u>	<u>69,739</u>
Financial assets at FVOCI:			
Quoted equity securities	7,100	-	7,100
Unquoted equity securities	-	24,003	24,003
	<u>7,100</u>	<u>24,003</u>	<u>31,103</u>
<i>As at 31 December 2022 (Audited)</i>			
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
Financial assets at FVTPL:			
Quoted equity securities	81,972	-	81,972
Unquoted equity securities	-	661	661
	<u>81,972</u>	<u>661</u>	<u>82,633</u>
Financial assets at FVOCI:			
Quoted equity securities	7,116	-	7,116
Unquoted equity securities	-	24,003	24,003
	<u>7,116</u>	<u>24,003</u>	<u>31,119</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2023

9 FAIR VALUE MEASUREMENT (continued)

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets</i>	<i>Significant unobservable inputs</i>	<i>Total</i>
	<i>(Level 1)</i>	<i>(Level 3)</i>	
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>As at 31 March 2022</i>			
Financial assets at FVTPL:			
Quoted equity securities	184,337	-	184,337
Unquoted equity securities	-	1,406	1,406
	<u>184,337</u>	<u>1,406</u>	<u>185,743</u>
Financial assets at FVOCI:			
Quoted equity securities	4,175	-	4,175
Unquoted equity securities	-	54,485	54,485
	<u>4,175</u>	<u>54,485</u>	<u>58,660</u>

No transfers have been made between the levels of the fair value hierarchy during the current period.

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

	<i>Non-listed equity investments</i>		
	<i>Financial assets at FVOCI</i>	<i>Financial assets at FVTPL</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
31 March 2023			
As at 1 January 2023	24,003	661	24,664
Remeasurement recognised in profit or loss	-	(1)	(1)
Remeasurement recognised in other comprehensive income	-	-	-
	<u>24,003</u>	<u>660</u>	<u>24,663</u>

	<i>Non-listed equity investments</i>		
	<i>Financial assets at FVOCI</i>	<i>Financial assets at FVPL</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 December 2022 (Audited)</i>			
As at 1 January 2022	54,486	1,407	55,893
Remeasurement recognised in profit or loss	-	(746)	(746)
Remeasurement recognised in other comprehensive income	(30,483)	-	(30,483)
	<u>24,003</u>	<u>661</u>	<u>24,664</u>

	<i>Non-listed equity investments</i>		
	<i>Financial assets at FVOCI</i>	<i>Financial assets at FVTPL</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 March 2022</i>			
As at 1 January 2022	54,485	1,406	55,891
Remeasurement recognised in profit or loss	-	-	-
Purchases / sales (net)	-	-	-
	<u>54,485</u>	<u>1,406</u>	<u>55,891</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2023

9 FAIR VALUE MEASUREMENT (continued)

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

Management assessed that the fair values of other financial instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.

10 CONTINGENCIES

	<i>31 March</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>31 March</i> <i>2022</i> <i>KD</i>
Letters of guarantee	3,161,247	2,294,745	2,255,266

The Group has contingent liabilities in respect of bank guarantee and letters of credit arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. Bank balances amounting to KD 223,611 (31 December 2022: KD 46,810, 31 March 2022: KD 39,750) are restricted against letters of guarantee provided to the Group by its bank.

Term deposits amounting to KD 2,151,614 (31 December 2022: KD 2,152,467, 31 March 2022: KD 2,153,447) are pledged against letters of guarantees provided to the Group by its bank.

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over.

We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

The MENA practice of EY has been operating in the region since 1923. For more than 90 years, we have grown to more than 6,000 people united across 20 offices and 15 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

© 2017 EYGM Limited.
All Rights Reserved.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com/mena