

**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 2025

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 2025

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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 2025, 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”.

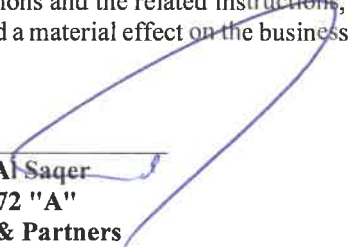
Emphasis of matter

We draw attention to Note No. (14 - 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 2025, 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 2025, 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 2025

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 2025

		Three months ended 31 March	
	Note	2025 KD	2024 KD
Continuing operations:			
Revenue:			
Revenue from sales and services		1,367,319	1,119,326
Unrealized gain from change in fair value of financial assets at fair value through profit or loss		132,079	674,882
Dividend income		-	7,279
Group’s share of results from associates	4	843,937	1,393,383
Interest income		25,047	287
Other income		3,331	3,305
Total revenue		2,371,713	3,198,462
Expenses and other charges:			
Cost of sales and services		(1,352,864)	(1,317,391)
General and administrative expenses		(391,298)	(506,355)
Provision for expected credit losses	6	(2,558,823)	(1,052,194)
Portfolio management fees		(8,552)	(7,195)
Finance cost		(430,793)	(517,601)
Foreign exchange loss		(212)	(57,373)
Total expenses and other charges		(4,742,542)	(3,458,109)
Net loss for the period from continuing operations		(2,370,829)	(259,647)
Discontinued operations:			
Loss for the period from discontinued operations		-	(633)
Net loss for the period		(2,370,829)	(260,280)
Attributable to:			
Shareholders of the Parent Company		(1,000,558)	(101,976)
Non-controlling interests		(1,370,271)	(158,304)
Net loss for the period		(2,370,829)	(260,280)
Basic and diluted loss per share attributable to the shareholders of the Parent Company (Fils)	3	(1.640)	(0.167)
Basic and diluted loss per share attributable to the Shareholders of the Parent Company from the continuing operations (Fils)	3	(1.640)	(0.166)
Basic and diluted loss per share attributable to the Shareholders of the Parent Company from discontinued operations (Fils)	3	-	(0.001)

The accompanying notes on pages 8 to 18 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 2025

	Note	Three months ended 31 March	
		2025 KD	2024 KD
Net loss for the period		(2,370,829)	(260,280)
Other comprehensive (loss) / income items:			
<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		(10,128)	3,586
Group's share of other comprehensive (loss) / income of associates	4	(337,021)	314,988
<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")		84,131	23,944
Total other comprehensive (loss) / income for the period		(263,018)	342,518
Total comprehensive (loss) / income for the period		(2,633,847)	82,238
Attributable to:			
Shareholders of the Parent Company		(1,263,797)	239,578
Non-controlling interests		(1,370,050)	(157,340)
Total comprehensive (loss) / income for the period		(2,633,847)	82,238
Total comprehensive (loss) / income for the year attributable to:			
Continuing operations		(2,633,847)	82,871
Discontinued operations		-	(633)
Total comprehensive (loss) / income for the period		(2,633,847)	82,238

The accompanying notes on pages 8 to 18 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 2025

	Note	31 March 2025 KD	(Audited) 31 December 2024 KD	31 March 2024 KD
Assets				
Non-current assets:				
Property, plant and equipment		10,634,941	10,737,419	11,030,451
Investment in associates	4	47,867,425	46,791,133	55,443,976
Financial assets at fair value through other comprehensive income	5	867,555	948,524	900,933
Accounts receivable and other debit balances	6	4,715,410	4,613,723	3,032,114
Total non-current assets		64,085,331	63,090,799	70,407,474
Current assets:				
Inventories		4,716,659	4,840,164	2,044,897
Accounts receivable and other debit balances	6	13,621,161	16,364,845	15,030,839
Financial assets at fair value through profit or loss	7	20,071,826	19,939,747	21,090,894
Cash and cash equivalents	8	858,149	2,029,842	1,173,700
		39,267,795	43,174,598	39,340,330
Non-current assets held for sale	9	5,259,552	5,259,552	-
Total current assets		44,527,347	48,434,150	39,340,330
Total assets		108,612,678	111,524,949	109,747,804
Equity and liabilities				
Equity:				
Capital		61,000,000	61,000,000	61,000,000
Share premium		-	-	17,374,869
Statutory reserve		-	-	1,590,532
Fair value reserve of financial assets at FVOCI		(5,073,092)	(4,847,681)	(5,824,350)
Foreign currency translation reserve		650,261	649,779	890,679
Other reserves		(271,629)	(233,225)	(68,361)
Accumulated losses		(6,495,875)	(5,487,019)	(20,493,491)
Equity attributable to shareholders of the Parent Company		49,809,665	51,081,854	54,469,878
Non-controlling interests		(5,294,511)	(3,924,483)	(3,131,012)
Total equity		44,515,154	47,157,371	51,338,866
Liabilities:				
Non-current liabilities:				
Employees' end of service benefits		1,138,749	1,131,076	1,692,872
Term loans	10	6,284,101	6,481,057	7,497,050
Accounts payable and other credit balances	11	9,474,563	9,470,118	1,798,247
Total non-current liabilities		16,897,413	17,082,251	10,988,169
Current liabilities:				
Term loans	10	18,852,057	18,464,822	17,553,298
Accounts payable and other credit balances	11	26,156,824	26,638,583	29,459,975
Bank overdraft		890,487	881,179	407,496
		45,899,368	45,984,584	47,420,769
Liabilities relating to non-current asset held for sale		1,300,743	1,300,743	-
Total current liabilities		47,200,111	47,285,327	47,420,769
Total liabilities		64,097,524	64,367,578	58,408,938
Total equity and liabilities		108,612,678	111,524,949	109,747,804

The accompanying notes on pages 8 to 18 form an integral part of this interim condensed consolidated financial information.


Abdullah Mohammad Alhajeri
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 2025

		Equity attributable to shareholders of the Parent Company						
		Fair value		Foreign		Other		Non- controlling interests
		reserve of financial assets at FVOCI	reserve of currency translation	reserve	reserves	accumulated losses	Sub-total	
Capital	KD	KD	KD	KD	KD	KD	KD	Total Equity KD
61,000,000	-	(4,847,681)	649,779	(233,225)	(5,487,019)	51,081,854	(3,924,483)	47,157,371
	-	-	-	-	(1,000,558)	(1,000,558)	(1,370,271)	(2,370,829)
As at 31 December 2024	-	83,910	-	-	-	83,910	221	84,131
Net loss for the period	-	-	(10,128)	-	-	(10,128)	-	(10,128)
Other comprehensive (loss) / income:								
Changes in fair value of financial assets at FVOCI	-	(309,321)	10,610	(38,310)	-	(337,021)	-	(337,021)
Exchange differences on translating of foreign operations	-	(225,411)	482	(38,310)	-	(263,239)	221	(263,018)
Group's share of other comprehensive (loss) / income of associates (Note 4)	-	(225,411)	482	(38,310)	(1,000,558)	(1,263,797)	(1,370,050)	(2,633,847)
Other comprehensive (loss) / income for the period	-	-	-	(94)	(8,298)	(8,392)	22	(8,370)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	-	-
Share of other reserves of associates (Note 4)	-	-	-	-	-	-	-	-
As at 31 March 2025	61,000,000	(5,073,092)	650,261	(271,629)	(6,495,875)	49,809,665	(5,294,511)	44,515,154

**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 2025

	Equity attributable to shareholders of the Parent Company									
	Fair value									
	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)
Other comprehensive income / (loss):										
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	5,633	20,131	(3)	20,128
As at 31 March 2024	61,000,000	17,374,869	1,590,532	(5,824,350)	890,679	(68,361)	(20,493,491)	54,469,878	(3,131,012)	51,338,866

The accompanying notes on pages 8 to 18 form an integral part of this interim condensed consolidated financial information.

Privatization Holding Company – K.P.S.C. and its subsidiaries
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Interim condensed consolidated statement of cash flows (Unaudited)
For the three months period ended 31 March 2025

	Three months ended 31 March	
	2025	2024
	KD	KD
OPERATING ACTIVITIES		
Net loss for the period	(2,370,829)	(260,280)
<i>Adjustments for:</i>		
Unrealized gain from change in fair value on financial assets at fair value through profit or loss	(132,079)	(674,882)
Dividend income	-	(7,279)
Group's share of results from associates	(843,937)	(1,393,383)
Interest income	(25,047)	(287)
Depreciation	98,867	67,903
Provision for expected credit losses	2,558,823	1,052,194
Loss from sale of property, plant and equipment	6,043	-
Finance cost	430,793	517,601
Foreign exchange loss	212	57,373
Provision for employees' end of service benefits	17,637	48,256
	(259,517)	(592,784)
Change in operating assets and liabilities:		
Inventories	123,505	(65,118)
Accounts receivable and other debit balances	(160,182)	39,142
Accounts payable and other credit balances	(377,195)	69,492
<i>Cash flows used in operating activities</i>	(673,389)	(549,268)
Employees' end of service benefits paid	(9,964)	-
Net cash flows used in operating activities	(683,353)	(549,268)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,204)	(9,760)
Proceeds from sale of property, plant and equipment	8,748	-
Purchase of investment in associate	(309,000)	-
Proceeds from sale of financial assets at fair value through other comprehensive income	165,100	303,841
Interest income received	2,543	287
Dividend income received	-	7,279
Net cash flows (used in) / from investing activities	(133,813)	301,647
FINANCING ACTIVITIES		
Term loans	187,495	557,964
Bank overdraft	9,308	(44,338)
Finance cost paid	(531,067)	(419,862)
Net cash flows (used in) / from financing activities	(334,264)	93,764
Net decrease in cash and cash equivalents	(1,151,430)	(153,857)
Foreign currency translation adjustment	(20,263)	(54,102)
Cash and cash equivalents at the beginning of the period	2,029,842	1,381,659
Cash and cash equivalents at the end of the period (Note 8)	858,149	1,173,700

The accompanying notes on pages 8 to 18 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 2025

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 2025.

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 2024. 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 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025. For further information, refer to the annual audited consolidated financial statements for the year ended 31 December 2024.

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 2025. 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 2025

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

	Three months ended 31 March	
	2025	2024
Net loss for the period attributable to the Shareholders of the Parent Company (KD)	<u>(1,000,558)</u>	<u>(101,976)</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>(1.640)</u>	<u>(0.167)</u>
Basic and diluted loss per share attributable to the Shareholders of the Parent Company from the continuing operation: (Fils)	<u>(1.640)</u>	<u>(0.166)</u>
Basic and diluted loss per share attributable to the Shareholders of the Parent Company from the discontinued operation: (Fils)	<u>-</u>	<u>(0.001)</u>

4. Investment in associates

	31 March 2025 KD	(Audited) 31 December 2024 KD	31 March 2024 KD
Balance at the beginning of the period / year	46,791,133	50,739,856	50,739,856
Additions (a)	577,746	3,500,621	2,975,621
Disposals	-	(3,534,704)	-
Transfer to non-current assets held for sale (Note 9)	-	(4,875,668)	-
Cash dividends received from associates	-	(1,092,927)	-
Group's share of results from associates	843,937	871,180	1,393,383
Group's share of other comprehensive (loss) / income from associates' cumulative changes in fair value	(309,321)	1,327,008	396,134
Group's share of other comprehensive income / (loss) from associates' foreign currency translation adjustment	10,610	(212,828)	24,740
Group's share of other comprehensive loss from associates' other reserves	(38,310)	(244,594)	(105,886)
Other reserves	(8,370)	313,189	20,128
Balance at end of the period / year	<u>47,867,425</u>	<u>46,791,133</u>	<u>55,443,976</u>

- a) Additions during the period ended 31 March 2025 represent additions in J3 For Management & Development of Lands and Real Estate Company - W.L.L. include an amount paid by related parties of KD 268,746.

Investment in associates amounting to KD 33,300,188 (31 December 2024: KD 33,385,458, 31 March 2024: KD 33,059,732) are secured against certain term loans (Note 10). Also, investment in associates amounting to KD 2,295,657 (31 December 2024: KD 2,153,076, 31 March 2024: KD 6,107,421) are secured against the guarantee of a term loan provided to a related party (Note 14).

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Notes to the interim condensed consolidated financial information (Unaudited)
For the three months period ended 31 March 2025

5. Financial assets at fair value through other comprehensive income

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
Quoted securities	109,320	108,741	92,723
Unquoted securities	347,277	358,974	353,798
Funds and portfolios	410,958	480,809	454,412
	867,555	948,524	900,933

Financial assets at fair value through other comprehensive income amounting to KD 491,808 (31 December 2024: KD 560,334, 31 March 2024: KD 532,817) are secured against certain term loans (Note 10).

6. Accounts receivable and other debit balances

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
Trade receivables	8,155,907	8,924,031	8,534,301
Due from related parties (Note 13)	10,611,583	10,357,075	6,021,180
Interest receivable	-	-	3,000,000
Prepaid expenses and accrued income	55,114	50,566	78,765
Advances to project under progress	6,182,728	6,182,728	6,017,126
Advances to suppliers	620,100	609,145	311,135
Other debit balances	105,297	156,433	643,131
	25,730,729	26,279,978	24,605,638
Provision for expected credit losses (a)	(7,394,158)	(5,301,410)	(6,542,685)
	18,336,571	20,978,568	18,062,953

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

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
Balance at the beginning of the period / year	5,301,410	5,490,491	5,490,491
Charge for the period / year	2,558,823	3,009,167	1,052,194
Used during the period / year	(469,866)	(3,214,869)	-
Foreign currency translation	3,791	16,621	-
Balance at the end of the period / year	7,394,158	5,301,410	6,542,685

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

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
Non-current portion	4,715,410	4,613,723	3,032,114
Current portion	13,621,161	16,364,845	15,030,839
	18,336,571	20,978,568	18,062,953

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Notes to the interim condensed consolidated financial information (Unaudited)
For the three months period ended 31 March 2025

7. Financial assets at fair value through profit or loss

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
Quoted securities	12,473,878	12,096,359	10,587,447
Unquoted security	7,509,139	7,754,664	10,414,925
Mutual funds	88,809	88,724	88,522
	20,071,826	19,939,747	21,090,894

At 31 March 2025, the Group held certain equity securities of related parties with a carrying value of KD 3,430,950 (31 December 2024: KD 3,416,062, 31 March 2024: KD 2,876,143) (Note 13).

Financial assets at fair value through profit or loss amounting to KD 18,366,897 (31 December 2024: KD 18,013,530, March 2024: KD 19,010,002) are pledged against certain term loans (Note 10).

8. Cash and cash equivalents

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
Cash on hand and at banks	313,844	1,337,995	1,092,286
Short term bank deposit*	320,000	320,000	-
Cash at portfolios	224,305	371,847	81,414
	858,149	2,029,842	1,173,700

*As at 31 March 2025. Short term bank deposit represents a deposit in a local bank with an effective interest rate of 3.5% (31 December 2024: 3.5%) per annum. Short term bank deposit has contractual maturity of less than three months.

9. Non-current assets held for sale

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
J3 for management & development of lands and real estate Company -W.L.L. (Note 4)	4,875,668	4,875,668	-
Daytona for Advertising Publishing Distribution and Production Company - W.L.L.	383,884	383,884	-
	5,259,552	5,259,552	-

10. Term loans

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
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	15,750,950	15,747,734	16,869,406
Term loans obtain from a foreign financial institutions and carry interest rate at 10% to 12% per annum	9,385,208	9,198,145	8,180,942
	25,136,158	24,945,879	25,050,348

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10. Term loans (Continued)

Subsequent to the interim condensed consolidated financial information date, the Group had early settlement of a loan with a local financial institution of KD 3,595,555.

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:

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
Non-current portion	6,284,101	6,481,057	7,497,050
Current portion	18,852,057	18,464,822	17,553,298
	25,136,158	24,945,879	25,050,348

11. Accounts payable and other credit balances

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
Trade payables	3,873,662	4,193,569	3,247,614
Due to related parties (Note 13)	26,542,116	26,481,295	22,928,354
Accrued expenses and other liabilities	5,215,609	5,433,837	5,082,254
	35,631,387	36,108,701	31,258,222

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

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD	KD	KD
Non-current portion	9,474,563	9,470,118	1,798,247
Current portion	26,156,824	26,638,583	29,459,975
	35,631,387	36,108,701	31,258,222

12. 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 2024 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 28 May 2024 approved the consolidated financial statements for the year ended 31 December 2023 and approved not to distribute cash dividends and Board of Directors' remuneration for the year ended 31 December 2023. Also, it approved to set off part of accumulated losses of KD 18,965,401 as of 31 December 2023 through share premium of KD 17,374,869 and statutory reserve of KD 1,590,532.

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13. 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:

<u>Transactions included in interim condensed consolidated statement of profit or loss:</u>	<u>Three months ended</u> <u>31 March</u>	
	<u>2025</u>	<u>2024</u>
	<u>KD</u>	<u>KD</u>
Interest income	22,735	20
Portfolio management fees	3,610	3,222
Finance cost	47,093	49,498

<u>Balances included in interim condensed consolidated statement of financial position</u>	<u>31 March</u>	(Audited) <u>31 December</u>	<u>31 March</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Financial assets at FVOCI	81,461	83,406	58,857
Due from related parties (Note 6) (net of provision for expected credit losses)	5,960,479	5,744,295	3,039,743
Financial assets at fair value through profit or loss (Note 7)	3,430,950	3,416,062	2,876,143
Cash with portfolios managers	46,229	357,820	78,969
Term loans	500,000	500,000	500,000
Due to related parties (Note 11)	26,542,116	26,481,295	22,928,354

<u>Compensation of key management personnel</u>	<u>Three months ended</u> <u>31 March</u>	
	<u>2025</u>	<u>2024</u>
	<u>KD</u>	<u>KD</u>
Short term benefits	69,232	148,741
End of service benefits	7,629	27,118

14. Capital commitments and contingencies

<u>Capital commitments</u>	<u>31 March</u>	(Audited) <u>31 December</u>	<u>31 March</u>
	<u>2025</u>	<u>2024</u>	<u>2024</u>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Project commitments	11,699,806	12,369,306	9,532,483
Other commitments	102,789	175,841	932,232
	<u>11,802,595</u>	<u>12,545,147</u>	<u>10,464,715</u>

14. Capital commitments and contingencies (Continued)

Contingencies

- A. At the reporting date, the Group has provided performance bank guarantees to a customer and suppliers amounting to KD 995,075 (31 December 2024: KD 2,640,124, 31 March 2024: KD 2,779,624) and to Public Authority for housing Welfare KD 3,120,180 (31 December 2024: 3,120,180, 31 March 2024: KD 3,120,180) and secure certain investments in associate (Note 4) against a term loan provided by foreign financial institution to a related party as the loan amounting KD 235,100 (31 Dec 24: KD 288,471, 31 Mar 2024: KD 3,127,822) 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 Counselling 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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15. 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:

	Investment	Others	Total
	KD	KD	KD
Three months ended 31 March 2025			
Segment revenue	<u>1,001,067</u>	<u>1,370,646</u>	<u>2,371,713</u>
Segment profit / (loss) before finance cost, foreign exchange loss	<u>789,795</u>	<u>(2,729,619)</u>	<u>(1,939,824)</u>
Finance cost plus foreign exchange loss	<u>(312,762)</u>	<u>(118,243)</u>	<u>(431,005)</u>
Net profit / (loss)	<u>477,033</u>	<u>(2,847,862)</u>	<u>(2,370,829)</u>
Segment assets	<u>84,552,523</u>	<u>24,060,155</u>	<u>108,612,678</u>
Segment liabilities (excluding term loans)	<u>(18,402,949)</u>	<u>(20,558,417)</u>	<u>(38,961,366)</u>
Segment net assets before term loans	<u>66,149,574</u>	<u>3,501,738</u>	<u>69,651,312</u>
Term loans	<u>(14,116,901)</u>	<u>(11,019,257)</u>	<u>(25,136,158)</u>
Net assets	<u>52,032,673</u>	<u>(7,517,519)</u>	<u>44,515,154</u>
	Investment	Others	Total
	KD	KD	KD
Three months ended 31 March 2024			
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>
Net profit / (loss)	<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>

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16. Fair value measurement

16.1 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).

16.2 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:

	31 March 2025 KD	(Audited) 31 December 2024 KD	31 March 2024 KD
Financial assets:			
<i>Financial assets at fair value through other comprehensive income:</i>			
Financial assets at fair value through other comprehensive income	867,555	948,524	900,933
<i>Financial assets at amortised cost:</i>			
Accounts receivable and other debit balances (excluding prepayments and advances)	11,478,629	14,136,129	11,655,927
Cash and cash equivalents	858,149	2,029,842	1,173,700
<i>Financial assets at fair value through profit or loss:</i>			
Financial assets at fair value through profit or loss	20,071,826	19,939,747	21,090,894
	33,276,159	37,054,242	34,821,454
Financial liabilities:			
<i>Financial liabilities at amortised cost:</i>			
Term loans	25,136,158	24,945,879	25,050,348
Accounts payable and other credit balances (excluding advances)	35,220,615	35,551,775	30,879,004
Bank overdraft	890,487	881,179	407,496
	61,247,260	61,378,833	56,336,848

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16. Fair value measurement (Continued)

16.2 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:

31 March 2025	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value through other comprehensive income:				
Quoted securities	109,320	-	-	109,320
Funds and portfolio	-	410,958	-	410,958
Unquoted securities	-	-	347,277	347,277
Financial assets at fair value through profit or loss:				
Quoted securities	12,473,878	-	-	12,473,878
Mutual funds	-	88,809	-	88,809
Unquoted securities	-	652,815	6,856,324	7,509,139
	<u>12,583,198</u>	<u>1,152,582</u>	<u>7,203,601</u>	<u>20,939,381</u>
31 December 2024 (Audited)	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value through other comprehensive income:				
Quoted securities	108,741	-	-	108,741
Funds and portfolio	-	480,809	-	480,809
Unquoted securities	-	-	358,974	358,974
Financial assets at fair value through profit or loss:				
Quoted securities	12,096,359	-	-	12,096,359
Mutual funds	-	88,724	-	88,724
Unquoted securities	-	897,896	6,856,768	7,754,664
	<u>12,205,100</u>	<u>1,467,429</u>	<u>7,215,742</u>	<u>20,888,271</u>

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16. Fair value measurement (Continued)

16.2 Fair value measurement of financial instruments (Continued)

31 March 2024	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value through other comprehensive income:				
Quoted securities	92,723	-	-	92,723
Funds and portfolio	-	454,412	-	454,412
Unquoted securities	-	-	353,798	353,798
Financial assets at fair value through profit or loss:				
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>

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