

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

Interim condensed consolidated financial information (Unaudited)
and review report
For the six month period ended 30 June 2025

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

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For the six month period ended 30 June 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 30 June 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 six month 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”.

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 six month period ended 30 June 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 six month period ended 30 June 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 : 14 August 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 six month period ended 30 June 2025

		Three months ended 30 June		Six months ended 30 June	
	Note	2025 KD	2024 KD	2025 KD	2024 KD
Continuing operations:					
Revenue					
Revenue from sales and services		1,370,153	1,024,551	2,737,472	2,143,877
Unrealized gain from change in fair value of financial assets at fair value through profit or loss		306,789	85,539	438,868	760,421
Realized gain from sale of financial assets at fair value through profit or loss		111,762	-	111,762	-
Dividend income		242,892	515,665	242,892	522,944
Group's share of results from associates	4	87,750	(83,341)	931,687	1,310,042
Interest income		23,496	3,636	48,543	3,923
Other income		10,956	19,580	14,287	22,885
Total revenue		2,153,798	1,565,630	4,525,511	4,764,092
Expenses and other charges					
Cost of sales and services		(1,778,795)	(1,134,064)	(3,131,659)	(2,451,455)
General and administrative expenses		(396,493)	(333,632)	(787,791)	(839,987)
Provision for expected credit losses	6	(856,889)	(333,023)	(3,415,712)	(1,385,217)
Provision for legal claim	11	(1,487,763)	-	(1,487,763)	-
Portfolio management fees		(7,974)	(7,496)	(16,526)	(14,691)
Finance cost		(702,301)	(579,541)	(1,133,094)	(1,097,142)
Foreign exchange (loss) / gain		(10,300)	5,599	(10,512)	(51,774)
Total expenses and other charges		(5,240,515)	(2,382,157)	(9,983,057)	(5,840,266)
Net loss for the period from continuing operations		(3,086,717)	(816,527)	(5,457,546)	(1,076,174)
Discontinued operations:					
Loss for the period from discontinued operations		-	(15,084)	-	(15,717)
Net loss for the period		(3,086,717)	(831,611)	(5,457,546)	(1,091,891)
Attributable to:					
Shareholders of the Parent Company		(2,051,075)	(540,572)	(3,051,633)	(642,548)
Non-controlling interests		(1,035,642)	(291,039)	(2,405,913)	(449,343)
Net loss for the period		(3,086,717)	(831,611)	(5,457,546)	(1,091,891)
Basic and diluted loss per share attributable to the shareholders of the Parent Company (Fils)					
	3	(3.362)	(0.886)	(5.003)	(1.053)
Basic and diluted loss per share attributable to the Shareholders of the Parent Company from the continuing operations (Fils)					
	3	(3.362)	(0.861)	(5.003)	(1.027)
Basic and diluted loss per share attributable to the Shareholders of the Parent Company from discontinued operations (Fils)					
	3	-	(0.025)	-	(0.026)

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 six month period ended 30 June 2025

	Note	Three months ended 30 June		Six months ended 30 June	
		2025	2024	2025	2024
		KD	KD	KD	KD
Net loss for the period		(3,086,717)	(831,611)	(5,457,546)	(1,091,891)
Other comprehensive (loss) / income items:					
<u>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</u>					
Exchange differences on translating of foreign operations		9,681	(1,572)	(447)	2,014
Group's share of other comprehensive (loss) / income of associates	4	(259,728)	220,179	(596,749)	535,167
<u>Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</u>					
Changes in fair value of financial assets at fair value through other comprehensive income ("FVOCI")		(152,218)	55,532	(68,087)	79,476
Total other comprehensive (loss) / income for the period		(402,265)	274,139	(665,283)	616,657
Total comprehensive loss for the period		(3,488,982)	(557,472)	(6,122,829)	(475,234)
Attributable to:					
Shareholders of the Parent Company		(2,453,934)	(276,159)	(3,717,731)	(36,581)
Non-controlling interests		(1,035,048)	(281,313)	(2,405,098)	(438,653)
Total comprehensive loss for the period		(3,488,982)	(557,472)	(6,122,829)	(475,234)
Total comprehensive loss for the period from:					
Continuing operations		(3,488,982)	(542,388)	(6,122,829)	(459,517)
Discontinued operations		-	(15,084)	-	(15,717)
Total comprehensive loss for the period		(3,488,982)	(557,472)	(6,122,829)	(475,234)

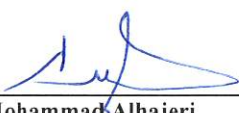
The accompanying notes on pages 8 to 18 form an integral part of this interim condensed consolidated financial information.

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

Interim condensed consolidated statement of financial position (Unaudited)
As at 30 June 2025

	Note	30 June 2025 KD	(Audited) 31 December 2024 KD	30 June 2024 KD
Assets				
Non-current assets:				
Property, plant and equipment		10,435,607	10,737,419	10,848,016
Investment in associates	4	46,773,304	46,791,133	54,493,623
Financial assets at fair value through other comprehensive income	5	715,337	948,524	957,201
Accounts receivable and other debit balances	6	3,906,929	4,613,723	3,573,451
Total non-current assets		61,831,177	63,090,799	69,872,291
Current assets:				
Inventories		3,917,868	4,840,164	3,449,258
Accounts receivable and other debit balances	6	14,593,955	16,364,845	14,492,941
Financial assets at fair value through profit or loss	7	16,707,711	19,939,747	21,176,433
Cash and cash equivalents	8	1,158,559	2,029,842	1,743,377
		36,378,093	43,174,598	40,862,009
Non-current assets held for sale	9	5,259,552	5,259,552	-
Total current assets		41,637,645	48,434,150	40,862,009
Total assets		103,468,822	111,524,949	110,734,300
Equity and liabilities				
Equity:				
Capital		61,000,000	61,000,000	61,000,000
Fair value reserve of financial assets at FVOCI		(5,395,489)	(4,847,681)	(5,528,494)
Foreign currency translation reserve		569,799	649,779	859,091
Other reserves		(267,780)	(233,225)	(68,881)
Accumulated losses		(8,561,475)	(5,487,019)	(2,062,263)
Equity attributable to shareholders of the Parent Company		47,345,055	51,081,854	54,199,453
Non-controlling interests		(6,329,562)	(3,924,483)	(3,412,323)
Total equity		41,015,493	47,157,371	50,787,130
Liabilities:				
Non-current liabilities:				
Employees' end of service benefits		1,143,865	1,131,076	1,715,726
Term loans	10	3,854,592	6,481,057	6,816,464
Accounts payable and other credit balances	11	9,523,599	9,470,118	1,798,247
Total non-current liabilities		14,522,056	17,082,251	10,330,437
Current liabilities:				
Term loans	10	16,987,336	18,464,822	18,352,099
Accounts payable and other credit balances	11	28,270,094	26,638,583	30,736,723
Bank overdraft		1,373,100	881,179	527,911
		46,630,530	45,984,584	49,616,733
Liabilities relating to non-current asset held for sale		1,300,743	1,300,743	-
Total current liabilities		47,931,273	47,285,327	49,616,733
Total liabilities		62,453,329	64,367,578	59,947,170
Total equity and liabilities		103,468,822	111,524,949	110,734,300

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 six month period ended 30 June 2025

Equity attributable to shareholders of the Parent Company									
Capital	Fair value		Foreign currency translation reserve	Other reserves	Accumulated losses	Sub-total	Non- controlling interests	Total Equity	
	KD	FVOCI assets at financial reserve of							
	KD	KD	KD	KD	KD	KD	KD	KD	KD
As at 31 December 2024									
Net loss for the period	-	-	-	-	-	-	-	-	-
Other comprehensive (loss) / income:									
Changes in fair value of financial assets at FVOCI	-	(68,901)	-	-	-	(68,901)	814	(68,087)	
Exchange differences on translating of foreign operations	-	-	(447)	-	-	(447)	-	(447)	
Group's share of other comprehensive (loss) / income of associates (Note 4)	-	(478,907)	(79,533)	(38,310)	-	(596,750)	1	(596,749)	
Other comprehensive (loss) / income for the period	-	(547,808)	(79,980)	(38,310)	-	(666,098)	815	(665,283)	
Total comprehensive loss for the period	-	(547,808)	(79,980)	(38,310)	(3,051,633)	(3,717,731)	(2,405,098)	(6,122,829)	
Share of other reserves of associates (Note 4)	-	-	-	3,755	(22,823)	(19,068)	19	(19,049)	
As at 30 June 2025	61,000,000	(5,395,489)	569,799	(267,780)	(8,561,475)	47,345,055	(6,329,562)	41,015,493	

Interim condensed consolidated statement of changes in equity (Unaudited)

For the six month period ended 30 June 2025

	Equity attributable to shareholders of the Parent Company									
	Fair value									
	Capital KD	Share premium KD	Statutory reserve KD	Foreign financial assets at FVOCI KD	Foreign currency translation reserve KD	Other reserves KD	Accumulated losses KD	Sub-total KD	Non- controlling interests KD	Total Equity KD
As at 31 December 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	-	-	-	-	-	-	(642,548)	(642,548)	(449,343)	(1,091,891)
Other comprehensive income / (loss):										
Changes in fair value of financial assets at FVOCI	-	-	-	68,788	-	-	-	68,788	10,688	79,476
Exchange differences on translating of foreign operations	-	-	-	-	2,014	-	-	2,014	-	2,014
Group's share of other comprehensive income / (loss) of associates (Note 4)	-	-	-	646,318	(5,267)	(105,886)	-	535,165	2	535,167
Other comprehensive income / (loss) for the period	-	-	-	715,106	(3,253)	(105,886)	-	605,967	10,690	616,657
Total comprehensive income / (loss) for the period	-	-	-	715,106	(3,253)	(105,886)	(642,548)	(36,581)	(438,653)	(475,234)
Transferred to accumulated losses due to sale of financial assets at fair value through other comprehensive income	-	-	-	58,563	-	-	(58,563)	-	-	-
Share of other reserves of associates (Note 4)	-	-	-	-	-	13,978	11,887	25,865	(1)	25,864
Transfer from share premium and statutory reserve to set off accumulated losses (Note 12)	-	(17,374,869)	(1,590,532)	-	-	-	18,965,401	-	-	-
As at 30 June 2024	61,000,000	-	-	(5,528,494)	859,091	(68,881)	(2,062,263)	54,199,453	(3,412,323)	50,787,130

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 cash flows (Unaudited)
For the six month period ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	KD	KD
OPERATING ACTIVITIES		
Net loss for the period	(5,457,546)	(1,091,891)
<i>Adjustments for:</i>		
Unrealized gain from change in fair value on financial assets at fair value through profit or loss	(438,868)	(760,421)
Realized gain from sale of financial assets at fair value through profit or loss	(111,762)	-
Dividend income	(242,892)	(522,944)
Group's share of results from associates	(931,687)	(1,310,042)
Interest income	(48,543)	(3,923)
Depreciation	186,807	206,161
Provision for expected credit losses	3,415,712	1,385,217
Provision for legal claim	1,487,763	-
Loss / (gain) from sale of property, plant and equipment	12,600	(5,940)
Finance cost	1,133,094	1,097,142
Foreign exchange loss	10,512	51,774
Provision for employees' end of service benefits	34,653	71,977
	(950,157)	(882,890)
Change in operating assets and liabilities:		
Inventories	922,296	(1,469,479)
Accounts receivable and other debit balances	(1,188,795)	(297,772)
Accounts payable and other credit balances	387,566	1,435,317
<i>Cash flows used in operating activities</i>	(829,090)	(1,214,824)
Employees' end of service benefits paid	(21,864)	(3,606)
Net cash flows used in operating activities	(850,954)	(1,218,430)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,226)	(21,435)
Proceeds from sale of property, plant and equipment	13,219	36,658
Purchase of investment in associate	(309,000)	-
Proceeds from sale of financial assets at fair value through profit or loss	3,782,666	-
Proceeds from sale of financial assets at fair value through other comprehensive income	165,100	303,105
Interest income received	3,461	3,923
Dividend income received	242,892	522,944
Cash dividends received from associates	911,464	1,092,927
Net cash flows generated from investing activities	4,806,576	1,938,122
FINANCING ACTIVITIES		
Term loans	(4,085,391)	684,264
Bank overdraft	491,921	76,077
Finance cost paid	(1,323,451)	(1,085,717)
Net cash flows used in financing activities	(4,916,921)	(325,376)
Net (decrease) / increase in cash and cash equivalents	(961,299)	394,316
Foreign currency translation adjustment	90,016	(32,598)
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)	1,158,559	1,743,377

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 six month period ended 30 June 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 14 August 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 six month ended 30 June 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, interpretations 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 follows:

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Notes to the interim condensed consolidated financial information (Unaudited)
For the six month period ended 30 June 2025

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

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
Net loss for the period attributable to the shareholders of the Parent Company (KD)	<u>(2,051,075)</u>	<u>(540,572)</u>	<u>(3,051,633)</u>	<u>(642,548)</u>
Weighted average number of outstanding shares (shares)	<u>610,000,000</u>	<u>610,000,000</u>	<u>610,000,000</u>	<u>610,000,000</u>
Basic and diluted loss per share attributable to the shareholders of the Parent Company (fils)	<u>(3.362)</u>	<u>(0.886)</u>	<u>(5.003)</u>	<u>(1.053)</u>
Basic and diluted loss per share attributable to the Shareholders of the Parent Company from the continuing operation (Fils)	<u>(3.362)</u>	<u>(0.861)</u>	<u>(5.003)</u>	<u>(1.027)</u>
Basic and diluted loss per share attributable to the Shareholders of the Parent Company from the discontinued operation (Fils)	<u>-</u>	<u>(0.025)</u>	<u>-</u>	<u>(0.026)</u>

4. Investment in associates

	30 June 2025 KD	(Audited) 31 December 2024 KD	30 June 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	(911,464)	(1,092,927)	(1,092,927)
Group's share of results from associates	931,687	871,180	1,310,042
Group's share of other comprehensive (loss) / income from associates' cumulative changes in fair value	(478,907)	1,327,008	646,318
Group's share of other comprehensive loss from associates' foreign currency translation adjustment	(79,532)	(212,828)	(5,265)
Group's share of other comprehensive loss from associates' other reserves	(38,310)	(244,594)	(105,886)
Other reserves	(19,049)	313,189	25,864
Balance at end of the period / year	<u>46,773,304</u>	<u>46,791,133</u>	<u>54,493,623</u>

- a) Additions during the period ended 30 June 2025 represent additions in J3 For Management & Development of Lands and Real Estate Company - W.L.L. which include an amount paid by related parties of KD 268,746.

Investment in associates amounting to KD 34,540,031 (31 December 2024: KD 33,385,458, 30 June 2024: KD 32,981,319) is secured against certain term loans (Note 10). Also, investment in associates amounting to KD 2,059,110 (31 December 2024: KD 2,153,076, 30 June 2024: KD 5,677,920) is secured against a guarantee of a term loan provided to a related party (Note 14).

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For the six month period ended 30 June 2025

5. Financial assets at fair value through other comprehensive income

	30 June 2025	(Audited) 31 December 2024	30 June 2024
	KD	KD	KD
Quoted securities	110,988	108,741	118,516
Unquoted securities	341,623	358,974	353,001
Funds and portfolios	262,726	480,809	485,684
	<u>715,337</u>	<u>948,524</u>	<u>957,201</u>

Financial assets at fair value through other comprehensive income amounting to KD 88,200 (31 December 2024: KD 560,334, 30 June 2024: KD 569,689) are secured against certain term loans (Note 10).

6. Accounts receivable and other debit balances

	30 June 2025	(Audited) 31 December 2024	30 June 2024
	KD	KD	KD
Trade receivables	8,900,130	8,924,031	8,150,844
Due from related parties (Note 13)	10,693,579	10,357,075	6,566,374
Interest receivable	-	-	3,000,000
Prepaid expenses and accrued income	50,720	50,566	66,891
Advances to project under progress	6,340,993	6,182,728	6,017,126
Advances to suppliers	624,357	609,145	314,103
Other debit balances	97,481	156,433	737,678
	<u>26,707,260</u>	<u>26,279,978</u>	<u>24,853,016</u>
Provision for expected credit losses (a)	<u>(8,206,376)</u>	<u>(5,301,410)</u>	<u>(6,786,624)</u>
	<u>18,500,884</u>	<u>20,978,568</u>	<u>18,066,392</u>

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

	30 June 2025	(Audited) 31 December 2024	30 June 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	3,415,712	3,009,167	1,385,217
Used during the period / year	(469,866)	(3,214,869)	(84,951)
Foreign currency translation	(40,880)	16,621	(4,133)
Balance at the end of the period / year	<u>8,206,376</u>	<u>5,301,410</u>	<u>6,786,624</u>

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

	30 June 2025	(Audited) 31 December 2024	30 June 2024
	KD	KD	KD
Non-current portion	3,906,929	4,613,723	3,573,451
Current portion	<u>14,593,955</u>	<u>16,364,845</u>	<u>14,492,941</u>
	<u>18,500,884</u>	<u>20,978,568</u>	<u>18,066,392</u>

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7. Financial assets at fair value through profit or loss

	30 June 2025	(Audited) 31 December 2024	30 June 2024
	KD	KD	KD
Quoted securities	8,966,236	12,096,359	10,856,869
Unquoted security	7,653,558	7,754,664	10,231,258
Mutual funds	87,917	88,724	88,306
	<u>16,707,711</u>	<u>19,939,747</u>	<u>21,176,433</u>

At 30 June 2025, the Group held certain equity securities of related parties with a carrying value of KD 4,351,971 (31 December 2024: KD 3,416,062, 30 June 2024: KD 2,828,591) (Note 13).

Financial assets at fair value through profit or loss amounting to KD 6,881,295 (31 December 2024: KD 18,013,530, 30 June 2024: KD 19,207,067) are pledged against certain term loans (Note 10).

8. Cash and cash equivalents

	30 June 2025	(Audited) 31 December 2024	30 June 2024
	KD	KD	KD
Cash on hand and at banks	726,044	1,337,995	1,357,049
Short term bank deposit	-	320,000	-
Cash at portfolios	432,515	371,847	386,328
	<u>1,158,559</u>	<u>2,029,842</u>	<u>1,743,377</u>

9. Non-current assets held for sale

	30 June 2025	(Audited) 31 December 2024	30 June 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	-
	<u>5,259,552</u>	<u>5,259,552</u>	<u>-</u>

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10. Term loans

	30 June 2025	(Audited) 31 December 2024	30 June 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	12,134,049	15,747,734	16,848,682
Term loans obtain from a foreign financial institutions and carry interest rate at 10% to 12% per annum	8,707,879	9,198,145	8,319,881
	<u>20,841,928</u>	<u>24,945,879</u>	<u>25,168,563</u>

During the period ended 30 June 2025, 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:

	30 June 2025	(Audited) 31 December 2024	30 June 2024
	KD	KD	KD
Non-current portion	3,854,592	6,481,057	6,816,464
Current portion	16,987,336	18,464,822	18,352,099
	<u>20,841,928</u>	<u>24,945,879</u>	<u>25,168,563</u>

11. Accounts payable and other credit balances

	30 June 2025	(Audited) 31 December 2024	30 June 2024
	KD	KD	KD
Trade payables	3,874,104	4,193,569	3,921,184
Due to related parties (Note 13)	27,264,846	26,481,295	23,267,490
Accrued expenses and other liabilities (a)	6,654,743	5,433,837	5,346,296
	<u>37,793,693</u>	<u>36,108,701</u>	<u>32,534,970</u>

- a) On June 1, 2025, the Ministry of Justice executed an enforcement seizure of an amount of KD 1,487,763 from the bank account of one of the subsidiaries (Abyaar Gulf Company for general trading and contracting - W.L.L.), due to the non-payment of a bank facility by its associate company (Privatization Engineering General Building Contracting Company -WLL (PEC)), since Abyaar had signed the facility agreement as a partner for acknowledgment of its content. Accordingly, a provision for legal claims amounting to KD 1,487,763 was recorded in the interim condensed consolidated statement of profit or loss for the period.

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11. Accounts payable and other credit balances (Continued)

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

	30 June	(Audited)	30 June
	2025	31 December	2024
	KD	KD	KD
Non-current portion	9,523,599	9,470,118	1,798,247
Current portion	28,270,094	26,638,583	30,736,723
	<u>37,793,693</u>	<u>36,108,701</u>	<u>32,534,970</u>

12. Annual General Assembly of the Parent Company's Shareholder

The Parent Company's Shareholders' Annual General Assembly meeting held on 22 May 2025 approved the consolidated financial statements for the year ended 31 December 2024 and approved not to distribute cash dividends and not to pay Board of Directors' remuneration for the year ended 31 December 2024.

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 not to pay 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.

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:

	Three months ended		Six months ended	
	30 June		30 June	
	2025	2024	2025	2024
	KD	KD	KD	KD
<u>Transactions included in</u>				
<u>interim condensed consolidated</u>				
<u>statement of profit or loss:</u>				
Dividend income	82,782	21,034	82,782	21,034
Interest income	22,592	38	45,327	58
Portfolio management fees	3,229	3,253	6,839	6,475
Finance cost	47,617	49,498	94,710	98,996

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13. Related party transactions and balances (Continued)

<u>Balances included in interim condensed consolidated statement of financial position</u>	<u>30 June 2025</u>	<u>(Audited) 31 December 2024</u>	<u>30 June 2024</u>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Financial assets at FVOCI	85,039	83,406	83,060
Due from related parties (Note 6) (net of provision for expected credit losses)	5,230,257	5,744,295	3,585,470
Financial assets at fair value through profit or loss (Note 7)	4,351,971	3,416,062	2,828,591
Cash with portfolios managers	151,529	357,820	361,458
Term loans	500,000	500,000	500,000
Due to related parties (Note 11)	27,264,846	26,481,295	23,267,490
	<u>Three months ended 30 June</u>	<u>Six months ended 30 June</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
<u>Compensation of key management personnel</u>			
Short term benefits	63,346	125,532	132,579
End of service benefits	7,691	16,493	15,320
			43,611

14. Capital commitments and contingencies

	<u>30 June 2025</u>	<u>(Audited) 31 December 2024</u>	<u>30 June 2024</u>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Capital commitments			
Project commitments	11,641,381	12,369,306	9,279,635
Other commitments	256,478	175,841	1,450,446
	<u>11,897,859</u>	<u>12,545,147</u>	<u>10,730,081</u>

Contingencies

A. At the reporting date, the Group has provided performance bank guarantees to a customer and suppliers amounting to KD 288,431 (31 December 2024: KD 2,640,124, 30 June 2024: KD 2,640,124) and to Public Authority for Housing Welfare KD 3,120,180 (31 December 2024: 3,120,180, 30 June 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 156,552 (31 December 2024: KD 288,471, 30 June 2024: KD 3,087,852) from which it is anticipated that no material liabilities will arise.

During the period ended 30 June 2025, a performance bank guarantee issued by a bank of one of the subsidiaries (Abyaar Gulf Company for general trading and contracting - W.L.L) amounting to KD 739,100, was liquidated and recorded within cost of sales and services. Subsequent to the interim condensed consolidated financial information, the balance was fully settled.

B. The Group received a letter from the National Bank of Kuwait (NBK) dated 11 June 2025, confirming the discharge of Privatization Holding Company from its guarantee obligation related to the debt of Ajwan Combined General Trading and Contracting Company - W.L.L. The letter states that the debt of Ajwan Combined General Trading and Contracting Company (W.L.L) has been fully settled, and as a result, the National Bank of Kuwait has formally released Privatization Holding Company from all associated liabilities.

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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
Six month ended 30 June 2025			
Segment revenue	<u>1,773,757</u>	<u>2,751,754</u>	<u>4,525,511</u>
Segment profit / (loss) before finance cost, foreign exchange loss	<u>1,345,089</u>	<u>(5,659,029)</u>	<u>(4,313,940)</u>
Finance cost plus foreign exchange loss	<u>(595,972)</u>	<u>(547,634)</u>	<u>(1,143,606)</u>
Net profit / (loss)	<u>749,117</u>	<u>(6,206,663)</u>	<u>(5,457,546)</u>
Segment assets	<u>80,428,052</u>	<u>23,040,770</u>	<u>103,468,822</u>
Segment liabilities (excluding term loans)	<u>(18,235,367)</u>	<u>(23,376,034)</u>	<u>(41,611,401)</u>
Segment net assets before term loans	<u>62,192,685</u>	<u>(335,264)</u>	<u>61,857,421</u>
Term loans	<u>(10,500,000)</u>	<u>(10,341,928)</u>	<u>(20,841,928)</u>
Net assets	<u>51,692,685</u>	<u>(10,677,192)</u>	<u>41,015,493</u>
	Investment	Others	Total
	KD	KD	KD
Six month ended 30 June 2024			
Segment revenue	<u>2,610,474</u>	<u>2,153,618</u>	<u>4,764,092</u>
Segment profit / (loss) before finance cost, foreign exchange loss	<u>2,008,369</u>	<u>(1,935,627)</u>	<u>72,742</u>
Finance cost plus foreign exchange loss	<u>(665,727)</u>	<u>(483,189)</u>	<u>(1,148,916)</u>
Loss from discontinued operations	<u>-</u>	<u>(15,717)</u>	<u>(15,717)</u>
Net profit / (loss)	<u>1,342,642</u>	<u>(2,434,533)</u>	<u>(1,091,891)</u>
Segment assets	<u>82,911,810</u>	<u>27,822,490</u>	<u>110,734,300</u>
Segment liabilities (excluding term loans)	<u>(15,043,870)</u>	<u>(19,734,737)</u>	<u>(34,778,607)</u>
Segment net assets before term loans	<u>67,867,940</u>	<u>8,087,753</u>	<u>75,955,693</u>
Term loans	<u>(15,061,384)</u>	<u>(10,107,179)</u>	<u>(25,168,563)</u>
Net assets	<u>52,806,556</u>	<u>(2,019,426)</u>	<u>50,787,130</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:

	30 June 2025	(Audited) 31 December 2024	30 June 2024
	KD	KD	KD
Financial assets:			
<i>Financial assets at fair value through other comprehensive income:</i>			
Financial assets at fair value through other comprehensive income	715,337	948,524	957,201
<i>Financial assets at amortised cost:</i>			
Accounts receivable and other debit balances (excluding prepayments and advances)	11,484,814	14,136,129	11,668,272
Cash and cash equivalents	1,158,559	2,029,842	1,743,377
<i>Financial assets at fair value through profit or loss:</i>			
Financial assets at fair value through profit or loss	16,707,711	19,939,747	21,176,433
	<u>30,066,421</u>	<u>37,054,242</u>	<u>35,545,283</u>
Financial liabilities:			
<i>Financial liabilities at amortised cost:</i>			
Term loans	20,841,928	24,945,879	25,168,563
Accounts payable and other credit balances (excluding advances)	37,608,704	35,551,775	32,523,357
Bank overdraft	1,373,100	881,179	527,911
	<u>59,823,732</u>	<u>61,378,833</u>	<u>58,219,831</u>

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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:

30 June 2025	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value through other comprehensive income:				
Quoted securities	110,988	-	-	110,988
Funds and portfolio	-	262,726	-	262,726
Unquoted securities	-	-	341,623	341,623
Financial assets at fair value through profit or loss:				
Quoted securities	8,966,236	-	-	8,966,236
Mutual funds	-	87,917	-	87,917
Unquoted securities	-	798,273	6,855,285	7,653,558
	<u>9,077,224</u>	<u>1,148,916</u>	<u>7,196,908</u>	<u>17,423,048</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)

30 June 2024	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value through other comprehensive income:				
Quoted securities	118,516	-	-	118,516
Funds and portfolio	-	485,684	-	485,684
Unquoted securities	-	-	353,001	353,001
Financial assets at fair value through profit or loss:				
Quoted securities	10,856,869	-	-	10,856,869
Mutual funds	-	88,306	-	88,306
Unquoted securities	-	743,148	9,488,110	10,231,258
	<u>10,975,385</u>	<u>1,317,138</u>	<u>9,841,111</u>	<u>22,133,634</u>

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