

Interim condensed consolidated financial information and review report

Kuwait Real Estate Company – KPSC and Subsidiaries

Kuwait

31 March 2025 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the board of directors of
Kuwait Real Estate Company – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Real Estate Company - KPSC ("the Parent Company") and its subsidiaries ("the Group") as of 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-month period then ended.

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 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.

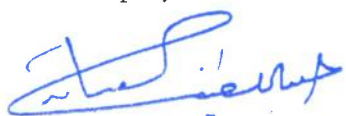
Conclusion

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 International Accounting Standard 34, "Interim Financial Reporting".

Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the three-month period ended 31 March 2025 that might have had a material effect on the business or financial position of the Parent Company.

We further report, to the best of our knowledge and belief, no violations of provisions of the Law No. 7 of 2010 regarding Capital Markets Authority and its relevant regulations have occurred during the three-month period ended 31 March 2025 that might have had a material effect on the business or financial position of the Parent Company.



Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
14 May 2025

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended 31 March 2025 (Unaudited) KD	Three months ended 31 March 2024 (Unaudited) KD
Income			
Real estate rental income		9,076,120	8,231,137
Revenue from contracts with customers		414,188	-
		9,490,308	8,231,137
Real estate operating expenses		(2,206,852)	(2,987,049)
Cost of contracts with customers		(564,870)	-
		(2,771,722)	(2,987,049)
Gross income		6,718,586	5,244,088
Change in fair value of investment properties	11	(1,904,250)	2,817,106
Change in fair value of financial assets at FVTPL		2,174,940	2,238,788
Dividend income		101,668	41,972
Share of results of associates		47,899	40,606
Reversal of liabilities no longer required	12.1	2,183,014	-
Other income		149,088	4,645
		9,470,945	10,387,205
Expenses and other charges			
General and administrative expenses		(1,013,277)	(891,878)
Finance costs		(2,971,428)	(3,132,462)
		(3,984,705)	(4,024,340)
Profit for the period before taxation on overseas subsidiaries		5,486,240	6,362,865
Taxation on overseas subsidiaries		(8,412)	-
Profit for the period before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat		5,477,828	6,362,865
Provisions for KFAS, NLST and Zakat		(212,825)	(258,951)
Profit for the period		5,265,003	6,103,914
Attributable to:			
Owners of the Parent Company		4,036,105	5,018,986
Non-controlling interests		1,228,898	1,084,928
Profit for the period		5,265,003	6,103,914
Basic and diluted earnings per share (Fils)	6	4.12	5.16

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended 31 March 2025 (Unaudited) KD	Three months ended 31 March 2024 (Unaudited) KD
Profit for the period	5,265,003	6,103,914
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss</i>		
Net change in fair value of financial assets at FVTOCI	827,724	7,526,849
<i>Items that will be reclassified subsequently to the consolidated statement of profit or loss</i>		
Exchange differences arising on translation of foreign operations	(40,151)	57,930
Total other comprehensive income for the period	787,573	7,584,779
Total comprehensive income for the period	6,052,576	13,688,693
Attributable to:		
Owners of the Parent Company	4,823,678	12,603,765
Non-controlling interests	1,228,898	1,084,928
Total comprehensive income for the period	6,052,576	13,688,693

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Notes	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Assets				
Cash and cash equivalents	7	19,006,321	12,356,006	10,122,185
Financial assets at FVTPL	8	20,013,317	17,838,377	13,197,274
Accounts receivable and other assets	9	21,062,536	15,270,478	19,808,806
Due from related parties	18	17,250,061	14,524,805	17,608,039
Trading properties		38,230,491	37,182,589	8,163,775
Investment in associates		11,726,859	11,678,960	13,097,669
Financial assets at FVTOCI	10	83,598,679	83,073,600	61,399,620
Capital work in progress		2,870,719	1,951,102	564,623
Properties under development		2,842,333	2,835,820	1,519,530
Investment properties	11	260,071,333	261,302,456	267,930,316
Property and equipment		2,742,722	2,898,014	2,852,192
Total assets		479,415,371	460,912,207	416,264,029
Liabilities and Equity				
Liabilities				
Due to banks		5,416,652	5,181,424	2,384,027
Accounts payable and other liabilities	12	20,430,357	21,928,048	20,800,507
Lease liabilities	13	3,420,000	8,232,000	3,116,392
Borrowings	14	223,580,271	223,347,579	213,316,768
Due to related parties	18	3,891,822	5,671,846	5,854,138
Advances from customers	15	20,528,835	-	-
Provision for employees' end of service benefits		1,242,121	1,171,381	1,039,961
Total liabilities		278,510,058	265,532,278	246,511,793
Equity				
Share capital		100,420,696	100,420,696	94,736,506
Share premium		3,425,191	3,425,191	3,425,191
Treasury shares	16	(9,697,731)	(7,135,682)	(7,925,032)
Statutory and voluntary reserves		29,725,313	29,725,313	26,881,519
Other components of equity	17	28,350,703	25,663,770	9,821,310
Retained earnings		31,150,283	26,978,681	30,124,380
Equity attributable to the owners of the Parent Company		183,374,455	179,077,969	157,063,874
Non-controlling interests		17,530,858	16,301,960	12,688,362
Total equity		200,905,313	195,379,929	169,752,236
Total liabilities and equity		479,415,371	460,912,207	416,264,029



Talal Jassim Al-Bahar
Vice Chairman and Chief Executive Officer

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

	Equity attributable to the owners of the Parent Company						Non- controlling interests	Total
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Other components of equity KD	Retained earnings KD	Sub- total KD	
Balance at 1 January 2025 (audited)	100,420,696	3,425,191	(7,135,682)	29,725,313	25,663,770	26,978,681	179,077,969	16,301,960 195,379,929
Purchase of treasury shares	-	-	(27,138,980)	-	-	-	(27,138,980)	- (27,138,980)
Sale of treasury shares	-	-	24,576,931	-	2,034,857	-	26,611,788	- 26,611,788
Total transactions with the owners	-	-	(2,562,049)	-	2,034,857	-	(527,192)	- (527,192)
Profit for the period	-	-	-	-	-	4,036,105	4,036,105	1,228,898 5,265,003
Other comprehensive income for the period	-	-	-	-	787,573	-	787,573	- 787,573
Total comprehensive income for the period	-	-	-	-	787,573	4,036,105	4,823,678	1,228,898 6,052,576
Gain on disposal of financial assets at FVTOCI	-	-	-	-	(135,497)	135,497	-	- -
Balance at 31 March 2025 (unaudited)	100,420,696	3,425,191	(9,697,731)	29,725,313	28,350,703	31,150,283	183,374,455	17,530,858 200,905,313

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited) (Continued)

	Equity attributable to the owners of the Parent Company						Non- controlling interests	Total
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Other components of equity KD	Retained earnings KD	Sub- total KD	
Balance at 1 January 2024 (audited)	94,736,506	3,425,191	(5,171,096)	26,881,519	1,798,379	24,402,046	146,072,545	11,603,434 157,675,979
Purchase of treasury shares	-	-	(12,410,368)	-	-	-	(12,410,368)	- (12,410,368)
Sale of treasury shares	-	-	9,656,432	-	1,141,500	-	10,797,932	- 10,797,932
Total transactions with the owners	-	-	(2,753,936)	-	1,141,500	-	(1,612,436)	- (1,612,436)
Profit for the period	-	-	-	-	-	5,018,986	5,018,986	1,084,928 6,103,914
Other comprehensive income for the period	-	-	-	-	7,584,779	-	7,584,779	- 7,584,779
Total comprehensive income for the period	-	-	-	-	7,584,779	5,018,986	12,603,765	1,084,928 13,688,693
Gain on disposal of financial assets at FVTOCI	-	-	-	-	(703,348)	703,348	-	- -
Balance at 31 March 2024 (unaudited)	94,736,506	3,425,191	(7,925,032)	26,881,519	9,821,310	30,124,380	157,063,874	12,688,362 169,752,236

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Notes	Three months ended 31 March 2025 (Unaudited) KD	Three months ended 31 March 2024 (Unaudited) KD
OPERATING ACTIVITIES			
Profit for the period		5,265,003	6,103,914
Adjustments:			
Depreciation		183,713	9,300
Finance costs		2,971,428	3,132,462
Change in fair value of investment properties	11	1,904,250	(2,817,106)
Share of results of associates		(47,899)	(40,606)
Change in fair value of financial assets at FVTPL		(2,174,940)	(2,238,788)
Dividend income		(101,668)	(41,972)
Reversal of liabilities no longer required	12.1	(2,183,014)	-
Provision charge for employees' end of service benefits		70,732	41,320
		5,887,605	4,148,524
Changes in operating assets and liabilities:			
Accounts receivable and other assets		(5,792,061)	2,295,614
Due from related parties		(2,725,256)	(1,295,716)
Accounts payable and other liabilities		692,546	1,937,735
Due to related parties		(1,780,024)	139,578
Advances from customers		20,528,835	-
Employees' end of service benefits paid		-	(3,986)
Net cash from operating activities		16,811,645	7,221,749
INVESTING ACTIVITIES			
Purchase of property and equipment		(28,420)	(454,373)
Additions to capital work in progress		(919,617)	(511,443)
Additions to properties under development		(6,513)	(1,233,864)
Additions to investment properties	11	(673,127)	(3,813,415)
Additions to trading properties		(1,047,901)	-
Purchase of financial assets at FVTOCI		(20,132,908)	(24,491,064)
Proceeds from sale of financial assets at FVTOCI		20,250,414	23,405,132
Additions / capital contribution in associates		-	(107,877)
Term deposits maturing after 3 months		2,175,487	(531,110)
Dividend income received		101,668	41,972
Net cash used in investing activities		(280,917)	(7,696,042)
FINANCING ACTIVITIES			
Net change in borrowings		232,692	14,148,662
Finance costs paid		(795,634)	(2,727,401)
Lease liabilities paid	13	(4,812,000)	(4,812,000)
Net movement in treasury shares		(2,562,049)	(1,612,436)
Dividends paid		(17,387)	(9,654)
Net cash used in financing activities		(7,954,378)	4,987,171
Net decrease in cash and cash equivalents		8,576,350	4,512,878
Foreign currency adjustments		14,224	87,362
Cash and cash equivalents at the beginning of the period	7	4,957,210	1,438,468
Cash and cash equivalents at the end of the period	7	13,547,784	6,038,708

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the Parent Company

Kuwait Real Estate Company – KPSC (the “Parent Company”) was incorporated in 1972 as a Kuwaiti Public Shareholding Company in accordance with the provisions of the Commercial Companies Law in the State of Kuwait.

The Parent Company’s shares are listed on Boursa Kuwait.

The Group comprises the Parent Company and its subsidiaries (together referred as “the Group”).

The main activities of the Parent Company are as follows:

- Carry out various real estate works for achieving profit, including sale, purchase, renting out and leasing of lands and real estate properties, erect buildings, prepare and implement studies of the private and public real estate projects directly or through mediation whether in Kuwait or abroad.
- Carry out various building works and related works whether for its account or for the account of third parties and import, trade in all materials related to real estate and other works related or necessary thereto.
- Invest in companies’ shares or projects similar to the Company’s objectives or manage and direct such institutions in such a way that achieves interest.
- Build housing whether for citizens or government employees or the employees of official or private authorities against receiving their value from them either in cash or on installments.
- Carry out contracting works in general whether directly or through participation with other contracting companies or representing same.
- Manage others’ properties in Kuwait and abroad.
- Erect private and public buildings and projects, including malls, entertainment centers, touristic utilities and implement them directly or through third parties in Kuwait or abroad and rent out or sell same in cash or on installments after approval by the competent authorities.
- Create, manage or share third parties in real estate investment funds only whether in Kuwait or abroad to employ and invest funds on behalf of others after approval by the competent authorities.
- Do various real estate work for achieving profit, including acquisition, sale and purchase of lands and real estate properties and develop them for the account of the Company inside and outside Kuwait, rent out and lease same and erect buildings.
- Prepare studies and provide consultations in all kinds of real estate fields, provided the required terms and conditions are met by those who offer this service.
- Acquire, sell and purchase shares and bonds of the companies or projects similar to the Company’s objectives or manage such institutions and direct same in such a way that achieves interest.
- Acquire movables and real estate properties necessary to conduct its activity within the limits permitted by the law and in compliance with its objectives.
- Perform maintenance works related to the buildings and properties owned by the Company and others, including civil, mechanical and electrical works, elevators and air conditioning works in such a way that maintains buildings and their safety.
- Organize real estate exhibitions for the Company's real estate projects.

Notes to the interim condensed consolidated financial information (continued)

1 Incorporation and activities of the Parent Company (continued)

- Hold real estate auctions.
- Utilize the surplus funds available with the Company by investing same in financial portfolios managed by specialized companies and entities inside and outside Kuwait.
- Contribute directly to set out the basic structure of the residential, commercial areas and projects by "Building, Operation & Transfer" (BOT) system and manage the real estate utilities by BOT system.

The Parent Company has the right to perform the above-mentioned activities inside and outside the State of Kuwait directly or through an agent. The Parent Company may have an interest or participate in any aspect with the entities performing similar works or which might assist it in the achievement of its objectives in Kuwait or abroad. The Parent Company may also establish or share or purchase these entities or affiliate them therewith.

The address of the Parent Company's registered office is P.O. Box 1257, Safat 13013, State of Kuwait.

This interim condensed consolidated financial information for the three-month period ended 31 March 2025 was authorised for issue by the Parent Company's board of directors on 14 May 2025.

2 Basis of preparation

This interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2025 has been prepared in accordance with IAS 34 "Interim Financial Reporting". The annual consolidated financial statements for the year ended 31 December 2024 were prepared in accordance with the IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

The interim condensed consolidated financial information has been presented in Kuwaiti Dinar which is the functional and presentation currency of the Parent Company.

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the IFRS Accounting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2024.

3 Changes in accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the new and amended IFRS Accounting Standards effective as of 1 January 2025 as described in Note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following amendments to IAS 21 were effective for the current period:

IAS 21 Amendments – Lack of exchangeability

The amendments to IAS 21 addresses determination of exchange rate when there is long term lack of exchangeability. The amendments:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

4 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2024.

5 Subsidiaries

During the period, the Parent Company transferred its ownership in certain subsidiaries, Al Mottahida General Investments LLC, Al Durar General Investments LLC and Aqarat Th8 Investment LTD, to one of its subsidiaries, "AlKoot Investments LLC". The transaction did not result in any gain or loss.

Notes to the interim condensed consolidated financial information (continued)

6 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the owners of the Parent Company by weighted average number of shares outstanding during the period excluding treasury shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	Three months ended 31 March 2025 (Unaudited)	Three months ended 31 March 2024 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD)	4,036,105	5,018,986
Weighted average number of shares outstanding during the period (excluding treasury shares) (share)	980,327,206	971,989,938
Basic and diluted earnings per share (Fils)	4.12	5.16

The comparative weighted average number of shares for the calculating of basic and diluted earnings per share has been adjusted to reflect the bonus shares for the year ended 31 December 2023. Earnings per share for the three-month period ended 31 March 2024 was 5.48 fils before retroactive adjustment.

7 Cash and cash equivalents

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Cash and bank balances	18,514,085	9,757,516	8,241,423
Cash in investment portfolios managed by others	492,236	423,003	223,838
Term deposits	-	2,175,487	1,656,924
Cash and cash equivalents	19,006,321	12,356,006	10,122,185
Less:			
Due to banks (note 7.1)	(5,416,652)	(5,181,424)	(2,384,027)
Restricted bank balances	(41,885)	(41,885)	(42,526)
Term deposits with original maturity exceeding three months	-	(2,175,487)	(1,656,924)
Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows	13,547,784	4,957,210	6,038,708

- 7.1 This represents outstanding balance of the credit facilities granted to the Group by a local Islamic bank in the form of overdraft facilities. The facilities carry an annual profit rate of 0.75% – 1.5% above the Central Bank of Kuwait discount rate. The due to banks balance is secured against mortgage of certain investment properties (note 11).

8 Financial assets at fair value through profit or loss

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Local quoted securities	1,074,683	1,089,204	617,334
Local unquoted securities	91,512	91,517	81,899
Foreign quoted securities	7,471	5,978	4,225
Foreign unquoted securities	18,828,624	16,640,651	12,482,852
Managed funds	11,027	11,027	10,964
	20,013,317	17,838,377	13,197,274

Notes to the interim condensed consolidated financial information (continued)

8 Financial assets at fair value through profit or loss (continued)

Certain investments with aggregate carrying value amount of KD6,284,005 (31 December 2024: KD4,324,031 and 31 March 2024: KD4,152,965) representing over 20% ownership interests have been classified as financial assets at fair value through profit or loss as the Group does not control or exercise significant influence over the operations of the investees.

The hierarchy for determining and disclosing the fair values of financial instruments is presented in Note 21.2.

9 Accounts receivable and other assets

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Financial assets			
Accounts receivable	9,772,021	10,163,425	8,994,584
Refundable deposits	571,833	540,815	738,268
Due on sale of investment properties	4,571,307	4,572,582	8,102,356
Other assets	2,400,842	2,798,918	1,739,581
	17,316,003	18,075,740	19,574,789
Provision for doubtful debts	(5,818,734)	(5,818,734)	(5,818,734)
	11,497,269	12,257,006	13,756,055
Non-financial assets			
Advances to contractors and suppliers	8,830,611	1,944,606	84,323
Advances to purchase investments	-	-	4,261,994
Other assets	734,656	1,068,866	1,706,434
	9,565,267	3,013,472	6,052,751
	21,062,536	15,270,478	19,808,806

The carrying values of the financial assets included above approximate their fair values and all are due within one year.

10 Financial assets at fair value through other comprehensive income

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Local quoted securities	54,032,629	53,527,962	29,638,298
Local unquoted securities	4,838,709	4,838,709	3,680,302
Foreign unquoted securities	12,010,052	11,989,640	14,788,961
Debt instruments	6,502,661	6,502,661	6,438,483
Managed funds	6,214,628	6,214,628	6,853,576
	83,598,679	83,073,600	61,399,620

These investments are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate these financial assets as at FVTOCI as it believes that recognising short-term fluctuations in the fair value of these financial assets in consolidated statement of profit or loss would not be consistent with the Group's strategy of holding these financial assets for long-term purposes and realising their performance potential in the long run. The above financial assets represent investment in various business sectors as follows:

Notes to the interim condensed consolidated financial information (continued)

10 Financial assets at fair value through other comprehensive income (continued)

Debt instruments represent promissory notes of foreign companies and carry annual interest rate 9% (31 December 2024 and 31 March 2024: 9%).

Quoted securities with carrying value of KD31,690,063 (31 December 2024: KD31,443,164 and 31 March 2024: KD22,552,723) are pledged against borrowings (notes 14).

The hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques is presented in Note 21.2.

11 Investment properties

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
<i>Owned properties</i>			
Balance at the beginning of the period/year	251,966,916	244,477,562	244,477,562
Additions during the period/year	656,671	2,652,306	3,813,415
Transferred from properties under development	-	7,867,584	7,668,264
Transferred to trading properties	-	(20,556,527)	-
Change in fair value for the period/year	-	17,525,991	4,829,715
Balance at the end of the period/year	252,623,587	251,966,916	260,788,956
<i>Leased properties</i>			
Balance at the beginning of the period/year	9,335,540	9,153,969	9,153,969
Additions during the period/year	16,456	8,232,000	-
Change in fair value for the period/year	(1,904,250)	(8,050,429)	(2,012,609)
Balance at the end of the period/year	7,447,746	9,335,540	7,141,360
Total balance at the end of the period/year	260,071,333	261,302,456	267,930,316

11.1 The Group's investment properties are located as follows:

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Kuwait	190,147,171	191,983,542	183,014,909
UAE	68,395,151	67,789,904	83,425,052
Other MENA countries	1,529,011	1,529,010	1,490,355
	260,071,333	261,302,456	267,930,316

11.2 Investment properties with an aggregate carrying value of KD216,611,294 (31 December 2024: KD216,066,196 and 31 March 2024: KD236,448,669) are pledged against borrowings and balances due to banks (Note 14 and 7).

11.3 Leased properties represent the properties under the BOT contracts signed with the Ministry of Finance - State Properties department.

Notes to the interim condensed consolidated financial information (continued)

12 Accounts payable and other liabilities

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Financial liabilities			
Accounts payable (note 12.1)	3,384,429	6,677,050	4,610,163
Accrued interest	2,175,794	2,159,387	1,581,197
Accrued expenses and leave	4,089,946	1,470,668	2,840,799
Provision for National Labour Support Tax	2,428,426	2,497,880	2,782,722
Provision for Zakat	973,942	974,723	854,812
Provision for KFAS	272,008	264,472	190,406
Dividends payable	1,303,883	1,321,270	1,271,457
Refundable deposits	2,211,293	2,398,800	2,330,236
Other liabilities	947,440	1,859,837	2,356,539
	17,787,161	19,624,087	18,818,331
Non-financial liabilities			
Advance rent	440,957	221,724	496,887
Other liabilities	2,202,239	2,082,237	1,485,289
	2,643,196	2,303,961	1,982,176
	20,430,357	21,928,048	20,800,507

- 12.1 During previous years, the Group sold certain plots of land located in the Mahboula area of Kuwait, which were jointly owned with other parties. Net proceeds received on behalf of these parties from the sale transactions have been recognised under accounts payable, which amounted to KD2,183,104 as at 31 December 2024.

During the period, the Group obtained a legal opinion from the Group's legal counsel confirming that the Group has no legal obligation to settle these amounts which have remained outstanding for no less than 10 years past their due date. Accordingly, the Group's management decided to derecognised the related payables, amounting to KD2,183,104, and recognised them as an income on reversal of liabilities no longer required to the interim condensed consolidated statement of profit or loss.

13 Lease liabilities

The Group has leases for the properties under the BOT contracts signed with the Ministry of Finance - State Properties department. Following is the movement for the lease liabilities during the period:

	Period ended 31 March 2025 KD	Year ended 31 Dec. 2024 KD	Period ended 31 March 2024 KD
Balance at the beginning of the period/year	8,232,000	7,860,289	7,860,289
Lease modification	-	8,232,000	-
Finance costs charged for the period/year	-	371,711	68,103
Settled during the period/year	(4,812,000)	(8,232,000)	(4,812,000)
Balance at the end of the period/year	3,420,000	8,232,000	3,116,392

Notes to the interim condensed consolidated financial information (continued)

14 Borrowings

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Islamic financing payables (i)	184,838,425	184,362,837	179,497,571
Term loans (iii)	38,741,846	38,984,742	33,819,197
Total	223,580,271	223,347,579	213,316,768
Borrowings in KD	186,004,485	185,273,973	179,497,571
Borrowings in other currencies	37,575,786	38,073,606	33,819,197
Total	223,580,271	223,347,579	213,316,768

The borrowings are due for repayment as follows:

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Within one year	26,601,287	23,605,945	19,841,742
Over one year	196,978,984	199,741,634	193,475,026
Total	223,580,271	223,347,579	213,316,768

- i) Islamic financing payables represent the following
- Outstanding Murabaha payable of KD182,838,425 represent obtained in Kuwaiti Dinar from local Islamic banks, carry an annual profit rate of 0.75% - 1% (31 December 2024 and 31 March 2024: 0.75% - 1%) over CBK discount rate and repayable in different unequal instalments ending on 15 April 2030.
 - Outstanding Wakala payable of KD2,000,000 obtained in Kuwaiti Dinar from local Islamic banks, carry an annual profit rate of 1.5% (31 December 2024: 1% - 1.5% and 31 March 2024: 2%) over CBK discount rate and repayable on quarterly instalments ending on 7 June 2028.
- iii) Term loans to represent the following:
- Outstanding term loans of KD37,575,786 obtained in AED Afrom a foreign bank, carries an average interest rate of EIBOR + 2.375% per annum risk premium (with minimum floor of 4%) and are repayable over a period of 8 – 12 years period till 2036.
 - Outstanding term loans of KD1,166,060 from the local banks, carry an annual interest rate of 0.75% - 1.5% (31 December 2024: 1% - 1.5% and 31 March 2024: Nil) over CBK discount rate and repayable in different unequal instalments ending on 30 June 2030.

Borrowings are secured by pledge of certain financial assets at FVTOCI and investment properties (Notes 10 and 11).

15 Advances from customers

Advances received from customers against sale of trading properties under development related to "Tilal Al Tay" project located in Sharjah in the United Arab Emirates. The aggregate amount of the sale price allocated to the performance obligations of the Group that are unsatisfied as at 31 March 2025 is AED2,100,000,000 equivalent to KD 176,400,000. The Group expects to recognise these unsatisfied performance obligations as revenue over a period of 4 years.

Notes to the interim condensed consolidated financial information (continued)

15 Advances from customers (continued)

The movement in advances received from customers is as follows:

	31 Mar. 2025 KD
Balance at the beginning of the period	-
Advances received during the period	20,528,835
Balance at end of the period	20,528,835

Tilal Al Tay (also known as Al Tay Hills) project, is a landmark residential development in Sharjah, UAE, developed by the Group in partnership with IFA Hotels & Resorts (a related party). The project estimated cost is AED3.5 billion spans over 6 million square feet and is designed to offer a luxurious and sustainable living experience. It comprises 1,100 residential units including villas and townhouses.

16 Treasury shares

	31 March 2025 (Unaudited)	31 Dec. 2024 (Audited)	31 March 2024 (Unaudited)
Number of treasury shares	29,802,510	29,517,327	35,446,563
Percentage of ownership	2.97%	2.94%	3.74%
Market value (KD)	10,043,446	7,467,884	8,081,816
Cost (KD)	9,697,731	7,135,682	7,925,032

Reserves of the Parent Company equivalent to the cost of the treasury shares held are not available for distribution.

17 Other components of equity

	Treasury shares reserve KD	Foreign currency translation reserve KD	Cumulative changes in fair value KD	Total KD
Balances at 1 January 2025	9,571,049	364,780	15,727,941	25,663,770
Gain on sale of treasury shares	2,034,857	-	-	2,034,857
Gain on disposal of financial assets at FVTOCI	-	-	(135,497)	(135,497)
<i>Other comprehensive income:</i>				
Net change in fair value of financial assets at FVTOCI	-	-	827,724	827,724
Currency translation differences	-	(40,151)	-	(40,151)
Balances at 31 March 2025 (Unaudited)	11,605,906	324,629	16,420,168	28,350,703
Balances at 1 January 2024	7,236,573	(13,844)	(5,424,350)	1,798,379
Gain on sale of treasury shares	1,141,500	-	-	1,141,500
Loss on disposal of financial assets at FVTOCI	-	-	(703,348)	(703,348)
<i>Other comprehensive income:</i>				
Net change in fair value of financial assets at FVTOCI	-	-	7,526,849	7,526,849
Currency translation differences	-	57,930	-	57,930
Balances at 31 March 2024 (Unaudited)	8,378,073	44,086	1,399,151	9,821,310

Notes to the interim condensed consolidated financial information (continued)

18 Related party transactions

Related parties represent associates, directors and key management personnel of the Group, major shareholders and companies in which directors and key management personnel of the Parent Company are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Parent Company management.

Details of significant related party transactions and balances are as follows:

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Balances included in interim condensed consolidated statement of financial position:			
Due from related parties	17,250,061	14,524,805	17,608,039
Due to related parties	3,891,822	5,671,846	5,854,138
Due on sale of investment properties	15,703	16,979	21,520

Financial assets at fair value through other comprehensive income amounting to KD3,195,237 (31 December 2024: KD2,945,458 and 31 March 2024: KD1,994,305) and financial assets at fair value through profit or loss amounting to KD1,539,271 (31 December 2024: KD1,011,644 and 31 March 2024: KD565,188) are managed by a related party.

	Three months ended 31 March 2025 (Unaudited) KD	Three months ended 31 March 2024 (Unaudited) KD
Interim condensed consolidated statement of profit or loss:		
Real estate rental income	1,077,872	774,464
Real estate operating expenses	167,352	88,608
General and administrative expenses	98,492	98,492
Key management compensation:		
Salaries and short-term benefits	76,837	76,764
Employees' end of service benefits	2,914	2,914

Notes to the interim condensed consolidated financial information (continued)

19 Segmental analysis

The Group operates in real estate and investment segments. The segmental analysis of the total income and net profit / (loss) for the activities are as follows:

	Real estate KD	Investment KD	Services KD	Unallocated KD	Total KD
31 March 2025 (Unaudited)					
Total income	4,965,018	2,324,507	(150,682)	2,332,102	9,470,945
Results for the period	1,993,590	2,324,507	(150,682)	1,097,588	5,265,003
Total assets	360,479,844	115,338,855	3,397,766	198,906	479,415,371
Total liabilities	230,830,640	41,146,204	5,287,954	1,245,260	278,510,058
Net assets	129,649,204	74,192,651	(1,890,188)	(1,046,354)	200,905,313
31 December 2024 (Audited)					
Total assets	344,104,907	112,590,936	4,025,330	191,034	460,912,207
Total liabilities	236,736,102	21,928,048	5,696,749	1,171,379	265,532,278
Net assets	107,368,805	90,662,888	(1,671,419)	(980,345)	195,379,929
31 March 2024 (Unaudited)					
Total income	8,061,194	2,321,368	-	4,643	10,387,205
Results for the period	4,928,733	2,321,368	-	(1,146,187)	6,103,914
Total assets	322,524,217	87,694,563	5,941,593	103,656	416,264,029
Total liabilities	218,894,711	20,678,377	5,898,748	1,039,957	246,511,793
Net assets	103,629,506	67,016,186	42,845	(936,301)	169,752,236

20 Annual general assembly

As the date of issuance of this interim condensed consolidated financial information, the annual general assembly of the shareholders of the Parent Company has not been held to approve the consolidated financial statements for the year ended in 31 December 2024. The interim condensed consolidated financial information for the three-month period ended 31 March 2025 does not include any adjustments, which might have been required, had the General Assembly not approved the consolidated financial statements for the year ended 31 December 2024.

The board of directors have proposed to distribute bonus shares of 6% for the year ended 31 December 2024. The directors also propose remuneration to the board of directors of KD60,000. These proposals are subject to the approval of the general assembly and the regulatory authorities.

Notes to the interim condensed consolidated financial information (continued)

21 Fair value measurement

21.1 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).

21.2 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 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Financial assets:			
At amortised cost:			
Due from related parties	17,250,061	14,524,805	17,608,039
Accounts receivable and other assets	11,497,269	12,257,006	13,756,055
Cash and cash equivalents	19,006,321	12,356,006	10,122,185
At fair value:			
Financial assets at FVTPL	20,013,317	17,838,377	13,197,274
Financial assets at FVTOCI	83,598,679	83,073,600	61,399,620
	151,365,647	140,049,794	116,083,173
Financial liabilities:			
At amortised cost			
Due to bank	5,416,652	5,181,424	2,384,027
Accounts payable and other liabilities	17,787,161	19,624,087	18,818,331
Lease liabilities	3,420,000	8,232,000	3,116,392
Borrowings	223,580,271	223,347,579	213,316,768
Due to related parties	3,891,822	5,671,846	5,854,138
Provision for employees' end of service benefits	1,242,121	1,171,381	1,039,961
	255,338,027	276,924,365	244,529,617

Management considers that the carrying amounts of financial assets and all financial liabilities, which are stated at amortized 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.

Notes to the interim condensed consolidated financial information (continued)

21 Fair value measurement (continued)

21.2 Fair value measurement of financial instruments (continued)

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:

	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
31 March 2025 (Unaudited)				
Financial assets				
<i>Financial assets at fair value through profit or loss:</i>				
Local quoted securities	1,074,683	-	-	1,074,683
Local unquoted securities	-	-	91,512	91,512
Foreign quoted securities	7,471	-	-	7,471
Foreign unquoted securities	-	-	18,828,624	18,828,624
Managed funds	-	11,027	-	11,027
<i>Financial assets at fair value through other comprehensive income:</i>				
Local quoted securities	54,032,629	-	-	54,032,629
Local unquoted securities	-	-	4,838,709	4,838,709
Foreign unquoted securities	-	-	12,010,052	12,010,052
Debt instruments	-	-	6,502,661	6,502,661
Managed fund	-	6,214,628	-	6,214,628
	55,114,783	6,225,655	42,271,558	103,611,996
31 December 2024 (Audited)				
Financial assets				
<i>Financial assets at fair value through profit or loss:</i>				
Local quoted securities	1,089,204	-	-	1,089,204
Local unquoted securities	-	-	91,517	91,517
Foreign quoted securities	5,978	-	-	5,978
Foreign unquoted securities	-	-	16,640,651	16,640,651
Managed funds	-	11,027	-	11,027
<i>Financial assets at fair value through other comprehensive income:</i>				
Local quoted securities	53,527,962	-	-	53,527,962
Local unquoted securities	-	-	4,838,709	4,838,709
Foreign unquoted securities	-	-	11,989,640	11,989,640
Debt instruments	-	-	6,502,661	6,502,661
Managed funds	-	6,214,628	-	6,214,628
	54,623,144	6,225,655	40,063,178	100,911,977

Notes to the interim condensed consolidated financial information (continued)

21 Fair value measurement (continued)

21.2 Fair value measurement of financial instruments (continued)

	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
31 March 2024 (Unaudited)				
Financial assets				
<i>Financial assets at fair value through profit or loss:</i>				
Local quoted securities	617,334	-	-	617,334
Local unquoted securities	-	-	81,899	81,899
Foreign quoted securities	4,225	-	-	4,225
Foreign unquoted securities	-	-	12,482,852	12,482,852
Managed funds	-	10,964	-	10,964
<i>Financial assets at fair value through other comprehensive income:</i>				
Local quoted securities	29,638,298	-	-	29,638,298
Local unquoted securities	-	-	3,680,302	3,680,302
Foreign unquoted securities	-	-	14,788,961	14,788,961
Debt instruments	-	-	6,438,483	6,438,483
Managed fund	-	6,853,576	-	6,853,576
	30,259,857	6,864,540	37,472,497	74,596,894

There have been no transfers between levels during the reporting period.

Level 3 fair value measurements

The Group's measurement of financial assets and liabilities classified in level 3 uses valuation techniques inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Opening balance	40,063,178	34,578,049	34,578,049
Additions / transfer	20,378	8,026,878	861,041
Disposals / transfer	-	(503,486)	-
Change in fair value	2,188,002	(2,038,263)	2,033,407
Closing balance	42,271,558	40,063,178	37,472,497

Changing inputs to the level 3 valuations to reasonably possible alternative assumption would not change significantly amounts recognised in profit or loss, total assets or total liabilities or total equity. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Notes to the interim condensed consolidated financial information (continued)

22 Contingent liabilities and commitments

Contingent liabilities and commitments represent letters of guarantee and capital commitments at the interim condensed consolidated financial position date are as follows:

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Issued letters of guarantee	16,011,845	11,219,528	10,964,278
Capital commitments	8,328,000	9,192,646	4,688,065
	24,339,845	20,412,174	15,652,343

Capital commitments represent development costs for properties under development and trading properties.

23 Legal case

During the years prior to the Group's acquisition of one of its subsidiaries, the subsidiary had filed lawsuits against three of its former board of directors ("defendants") for compensation of KD24,812,190.

On 23 March 2023, the Court of Appeals ruled in favour of the subsidiary to oblige these members to pay final compensation with a total amount of KD24,812,190 against this lawsuit.

One of the defendants had appealed to the Court of Appeal and a consultation session was scheduled on 13 August 2023.

On 10 April 2023, the Court of Appeals issued an order to postpone the execution of the decree in the urgent matter until a decision is finalized regarding the appeal.

On 26 March 2024, the Court of Cassation ruled to temporarily suspend the enforcement of the appeal ruling in favor of the defendants until the cassation decision is decided. The financial impact of this judgment depends on final decision of the court of cassation.

24 Comparative amounts

Certain comparative amounts have been reclassified to conform to the presentation in the current period. Such reclassification does not affect previously reported net assets, net equity, net results for the year or net increase in cash and cash equivalents.

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