

Rasiyat Holding Company K.P.S.C. and its subsidiaries
Condensed consolidated interim financial information (Unaudited)
and independent auditor's review report for the nine-month period ended 30
September 2024

Rasiyat Holding Company K.P.S.C. and its Subsidiaries
State of Kuwait

Condensed consolidated interim financial information (Unaudited)
and independent auditor's review report for the nine-month period ended 30 September 2024

Contents	Pages
Report on review of condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of income	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial information	7-24



**The Board of Directors
Rasiyat Holding Company K.P.S.C.
State of Kuwait**

Report on review of condensed consolidated interim financial information

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Rasiyat Holding Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 30 September 2024, and the related condensed consolidated interim statements of income and comprehensive income for the three-month and nine-month periods then ended, and changes in equity and cash flows for the nine month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

Except as explained in the following paragraph, 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 condensed consolidated 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.

Basis for qualified conclusion

Investment properties of KD 6,246,367 at 30 September 2024 represent undeveloped plots of lands located in the Arab Republic of Syria ("Syria"). The management of the Group appointed two external licensed valuers in Syria to value the plots of lands as at 31 December 2023, based on the market approach method. Due to insufficient reliable information available on the real estate market and economy in Syria we were unable to satisfy ourselves as to the fair values of the plots of lands and whether any adjustments that may be required to the condensed consolidated interim financial information.

Qualified conclusion

Except for the adjustments to the condensed consolidated interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on review of other legal and regulatory requirements

Furthermore, based on our review except for the possible effect of the matter described in the basis for the qualified conclusion paragraph above, the condensed consolidated interim 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 nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2024, that might have had a material effect on the business of the Parent Company or its consolidated financial position.

We further report that, during the course of our review except for the possible effect of the matter described in the basis for qualified conclusion paragraph above, we have not become aware of any violations during the nine-month period ended 30 September 2024 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, that might have had a material effect on the business of the Parent Company or its financial position.



Khalid Ebrahim Al-Shatti
Licence No. 175
PricewaterhouseCoopers (AlShatti & Co.)

6 November 2024
Kuwait

PricewaterhouseCoopers Al-Shatti & Co.
Arraya Tower II, 23rd - 24th Floor, P.O. Box 1753, Safat 13018 Sharq, Kuwait
T: +965 2227 5777 F: +965 2227 5888, www.pwc.com

Rasiyat Holding Company K.P.S.C. and its Subsidiaries
State of Kuwait

Condensed consolidated interim statement of financial position

As at 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

		30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited) (Restated) Note 16
ASSETS				
Non-current assets				
Property, plant and equipment	5	15,147,821	6,897,266	7,016,210
Intangible assets		371,527	402,777	413,194
Goodwill	15	3,010,223	-	-
Investment properties	4 & 6	6,246,367	6,287,360	6,376,386
Investments in associate		9,833	10,737	11,582
Financial asset at fair value through profit or loss	4	726,147	312,436	293,580
Financial asset at fair value through other comprehensive income	4	3,003	11,857	11,857
		<u>25,514,921</u>	<u>13,922,433</u>	<u>14,122,809</u>
Current assets				
Financial asset at fair value through profit or loss	4	139,130	69,565	46,421
Trade and other receivables	7	3,446,450	2,042,368	2,726,589
Cash and cash equivalents	8	3,940,272	2,048,275	2,457,566
		<u>7,525,852</u>	<u>4,160,208</u>	<u>5,230,576</u>
Asset held for sale	14	138,172	139,079	140,099
Total assets		<u>33,178,945</u>	<u>18,221,720</u>	<u>19,493,484</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		15,000,000	15,000,000	15,000,000
Accumulated losses		(3,464,882)	(3,564,935)	(4,238,128)
Equity attributable to equity holders of the Parent Company		11,535,118	11,435,065	10,761,872
Non-controlling interests		5,619,133	3,297,466	3,403,433
Net equity		<u>17,154,251</u>	<u>14,732,531</u>	<u>14,165,305</u>
LIABILITIES				
Non-current liabilities				
Employees' end of service benefits		511,962	295,565	265,294
Bank borrowing	9	8,677,750	1,886,350	2,084,400
Accounts payable and other liabilities	10	723,273	295,079	290,697
		<u>9,912,985</u>	<u>2,476,994</u>	<u>2,640,391</u>
Current liabilities				
Bank borrowing	9	1,582,304	593,054	542,200
Accounts payable and other liabilities	10	4,529,405	419,141	2,145,588
		<u>6,111,709</u>	<u>1,012,195</u>	<u>2,687,788</u>
Total liabilities		<u>16,024,694</u>	<u>3,489,189</u>	<u>5,328,179</u>
Total equity and liabilities		<u>33,178,945</u>	<u>18,221,720</u>	<u>19,493,484</u>


Meshari Ayman Abdullah Boodai
Chairman


Saleh Mohammad Alroomi
Board member and General Manager

The notes on pages 7 to 24 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of income

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2024 (Unaudited)	2023 (Unaudited) (Restated) Note 16	2024 (Unaudited)	2023 (Unaudited) (Restated) Note 16
Income					
Tuition fees - revenue		1,224,246	766,960	3,949,158	2,516,631
Management fees		-	2,250	3,000	6,750
Change in fair value of investment properties		(38,944)	40,239	(40,993)	105,076
Change in fair value of financial assets at fair value through profit or loss	4	95,481	46,614	529,366	124,888
Share of results of investment in an associate		-	(596)	(904)	(4,096)
Other income		37,767	(12,055)	131,172	51,581
		<u>1,318,550</u>	<u>843,412</u>	<u>4,570,799</u>	<u>2,800,830</u>
Expenses					
Direct cost of tuition fees		(616,731)	(547,839)	(1,748,964)	(1,669,547)
General and administrative expenses		(433,153)	(98,497)	(1,241,462)	(360,409)
Net impairment losses on financial assets		(29,760)	(7,928)	(42,130)	(7,928)
Depreciation	5	(412,152)	(199,102)	(955,143)	(586,390)
Amortisation of intangible assets		(10,415)	(10,416)	(31,249)	(31,250)
Finance costs		(164,291)	(46,888)	(339,655)	(116,777)
Other losses		-	-	(10,420)	-
Foreign exchange loss		(45,696)	(11,440)	(41,096)	(18,907)
Loss on sale of subsidiary		-	10,084	-	(41,676)
		<u>(1,712,198)</u>	<u>(912,026)</u>	<u>(4,410,119)</u>	<u>(2,832,884)</u>
(Loss) / profit before contribution to National Labour Support Tax ("NLST"), Kuwait Foundation for the Advancement of Sciences ("KFAS") and Zakat					
		(393,648)	(68,614)	160,680	(32,054)
Contribution to NLST		2,383	-	(6,965)	-
Contribution to KFAS		(20,137)	(8,266)	(20,137)	(8,266)
Contribution to Zakat		(6,554)	(9,227)	(26,569)	(9,227)
Profit for the period		<u>(417,956)</u>	<u>(86,107)</u>	<u>107,009</u>	<u>(49,547)</u>
Attributable to:					
Equity holders of the Parent Company		(309,511)	(95,679)	100,053	(66,435)
Non-controlling interests		(108,445)	9,572	6,956	16,888
Profit for the period		<u>(417,956)</u>	<u>(86,107)</u>	<u>107,009</u>	<u>(49,547)</u>
Basic and diluted earnings per share (fils)	11	<u>(2.06)</u>	<u>(0.64)</u>	<u>0.67</u>	<u>(0.44)</u>

Condensed consolidated interim statement of comprehensive income

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited) (Restated) Note 16	2024 (Unaudited)	2023 (Unaudited) (Restated) Note 16
(Loss) / profit for the period	(417,956)	(86,107)	107,009	(49,547)
Other comprehensive income for the period:	-	-	-	-
Total comprehensive (loss) / income for the period	(417,956)	(86,107)	107,009	(49,547)
Attributable to:				
Equity holders of the Parent Company	(309,511)	(95,679)	100,053	(66,435)
Non-controlling interests	(108,445)	9,572	6,956	16,888
Total comprehensive (loss) / income for the period	(417,956)	(86,107)	107,009	(49,547)

Rasiyat Holding Company K.P.S.C. and its Subsidiaries
State of Kuwait

Condensed consolidated interim statement of changes in equity

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Equity attributable to the owners of the Parent Company (unaudited)						
	Share capital	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Sub-total	Non-controlling interests (unaudited)	Total (unaudited)
Balance at 1 January 2024	15,000,000	-	-	(3,564,935)	11,435,065	3,297,466	14,732,531
Profit for the period	-	-	-	100,053	100,053	6,956	107,009
Total comprehensive income for the period	-	-	-	100,053	100,053	6,956	107,009
Non-controlling interest on acquisition of subsidiary (note 15)	-	-	-	-	-	1,709,904	1,709,904
Share capital increase in a subsidiary	-	-	-	-	-	604,807	604,807
Balance at 30 September 2024	15,000,000	-	-	(3,464,882)	11,535,118	5,619,133	17,154,251
Balance at 1 January 2023	15,000,000	1,481,669	(1,146,104)	(3,610,004)	11,725,561	3,587,321	15,312,882
Correction of errors (Note 16)	-	(1,481,669)	1,146,104	(561,689)	(897,254)	(66,496)	(963,750)
Restated at 1 January 2023	15,000,000	-	-	(4,171,693)	10,828,307	3,520,825	14,349,132
Loss for the period	-	-	-	(66,435)	(66,435)	16,888	(49,547)
Total comprehensive income for the period	-	-	-	(66,435)	(66,435)	16,888	(49,547)
Disposal of a subsidiary	-	-	-	-	-	(134,280)	(134,280)
Balance at 30 September 2023	15,000,000	-	-	(4,238,128)	10,761,872	3,403,433	14,165,305

The notes on pages 7 to 24 form an integral part of this condensed consolidated interim financial information.

Rasiyat Holding Company K.P.S.C. and its Subsidiaries
State of Kuwait

Condensed consolidated interim statement of cash flows

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Note	Nine-months ended 30 September	
		2024 (Unaudited)	2023 (Unaudited) (Restated) Note 16
OPERATING ACTIVITIES			
Profit / (loss) for the period before contribution to National Labour Support Tax ("NLST"), Kuwait Foundation for the Advancement of Sciences ("KFAS") and Zakat		160,680	(32,054)
Adjustments for:			
Depreciation	5	955,143	586,390
Amortisation of intangible assets		31,250	31,250
Loss on sale of subsidiary		-	41,676
Share of results of investment in an associate		904	4,096
Change in fair value of investment properties	6	40,993	(105,076)
Change in fair value of financial asset at fair value through profit or loss		(529,366)	(124,888)
Net impairment losses on financial assets		42,130	7,928
Finance costs		339,655	116,777
Foreign exchange loss		41,096	18,907
Loss on disposal of property, plant and equipment		10,420	-
Provision for employees' end of service benefits		91,960	62,165
		1,184,865	607,171
Changes in operating assets and liabilities:			
Accounts receivable and other assets		(1,112,293)	(981,589)
Accounts payable and other liabilities		1,980,286	1,605,601
Cash from operations		2,052,858	1,231,183
Employees' end of service benefits paid		(5,563)	(5,184)
Net cash generated from operating activities		2,047,295	1,225,999
INVESTING ACTIVITIES			
Payment for acquisition of subsidiary, net of cash acquired	15	(6,986,000)	
Net cash on disposal of subsidiary		-	1,133,426
Net movement on non-controlling interest		604,807	(134,280)
Purchase of property, plant and equipment	5	(398,118)	(471,433)
Dividend received		151,706	124,888
Net cash (used in) / generated from investing activities		(6,627,605)	652,601
FINANCING ACTIVITIES			
Proceeds from borrowings	10	8,000,000	1,000,000
Repayment of borrowings	10	(1,115,350)	(406,650)
Lease liabilities paid		(46,100)	(46,100)
Finance costs paid		(326,054)	(101,958)
Net cash generated from financing activities		6,512,496	445,292
Net impact of foreign currency translation adjustments		(40,189)	(18,706)
Increase in cash and cash equivalents		1,932,186	2,323,892
Cash and cash equivalents at the beginning of the period		2,048,275	152,380
Cash and cash equivalents at the end of the period	8	3,940,272	2,457,566

The notes on pages 7 to 24 form an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES

Rasiyat Holding Company K.P.S.C. (the "Parent Company") was incorporated on 3 December 2005 as a Kuwaiti Shareholding Company. The General Assembly meeting for establishment of the Parent Company was held at the Ministry of Commerce and Industry on 14 December 2005. The Parent Company's shares were listed on the Boursa Kuwait Securities Company on 23 March 2010.

The main objectives of the Parent Company are as follows:

- Managing its subsidiaries or participating in the management of other companies in which it contributes and provides the necessary support (Activity Code 642010).
- Investing its funds in trading in stocks, bonds and other securities (Activity Code 642020).
- Owning real estate and movable property to carry out its work within the limits as stipulated by law (Activity Code 642030).
- Financing or lending to companies in which it owns shares or stakes and guaranteeing them with others, in which case the holding company's participation in the capital of the borrowing company must not be less than 20% (Activity Code 642040).
- Owning intellectual property rights such as patents, trademarks or industrial models, franchise rights and other moral rights and exploiting and leasing them to its holding companies and others (Activity Code 642050).
- Office for Business Management of Holding Activities (Activity Code 642070).
- Owning shares for the company's account only (Activity Code 642051).

The Parent Company has the right to carry out its activities inside Kuwait or abroad whether directly or through power of attorney.

The Group comprises the Parent Company and its subsidiaries.

In all cases, the Parent Company is governed in all its activities by Islamic Sharia'a and all activities which are in compliance of Islamic Sharia'a board are obligatory to the Parent Company.

The address of the Parent Company's registered office is PO Box 4425, Safat 13045, State of Kuwait.

The condensed consolidated interim financial information of the Group for the period ended 30 September 2024 was authorised for issue by the Board of Directors of the Parent Company on 6 November 2024.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting. The condensed consolidated interim financial information does not include all the information and notes required for complete annual consolidated financial statements prepared in accordance with IFRS Accounting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the nine month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2023.

The condensed consolidated interim financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of annual consolidated financial statements for the year ended 31 December 2023 and the corresponding interim reporting period. Also see (a) and (b) below.

(a) New and amended standards adopted by the Group:

The Group has applied the following amendments for the first time for their annual reporting period commencing on 1 January 2024:

- Non-current Liabilities with Covenants – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current period.

(b) New standards and amendments not yet effective for the financial period beginning on 1 January 2024 and have not been early adopted by the Group:

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the current reporting periods and have not been early adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretations and amendments which will be adopted in the Group's consolidated financial statement as and when they are applicable.

3. JUDGEMENT AND ESTIMATES

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

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

3. JUDGEMENT AND ESTIMATES (CONTINUED)

In preparing this condensed consolidated interim 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 audited annual consolidated financial statements as at and for the year ended 31 December 2023.

4. FAIR VALUE ESTIMATION

The fair values of financial assets and investment properties are estimated as follows:

- **Level 1:** Quoted prices in active markets for quoted financial instruments.
- **Level 2:** Quoted prices in active markets for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
- **Level 3:** Inputs for the asset or liabilities that are not based on observable market data.

The following table shows the fair value measurement hierarchy of the Group's financial assets recorded at fair value:

30 September 2024 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Investment properties	-	-	6,246,367	6,246,367
Financial asset at fair value through other comprehensive income	-	-	3,003	3,003
Financial assets at fair value through profit or loss	-	-	865,277	865,277
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2023 (Audited)	Level 1	Level 2	Level 3	Total fair value
Investment properties	-	-	6,287,360	6,287,360
Financial asset at fair value through other comprehensive income	-	-	11,857	11,857
Financial assets at fair value through profit or loss	-	-	382,001	382,001
	<hr/>	<hr/>	<hr/>	<hr/>
30 September 2023 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Investment properties	-	-	6,376,386	6,376,386
Financial asset at fair value through other comprehensive income	-	-	11,857	11,857
Financial assets at fair value through profit or loss	-	-	340,001	340,001
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. FAIR VALUE ESTIMATION (CONTINUED)

The method of valuation used in Level 3 has been consistent with that used in the recent annual consolidated financial statements, which is measured at fair value estimated using various models like discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates or the latest financial statements or information available on these investments the future financial flows of which are unpredictable.

The following table represents movement in financial assets at fair value through profit or loss:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Opening balance	382,001	340,001	340,001
Business combination (refer note 15)	108,616	-	-
Change in fair value	529,366	204,186	124,888
Cash received	(154,706)	(162,186)	(124,888)
Ending balance	865,277	382,001	340,001

5. PROPERTY AND EQUIPMENT

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
At 1 January	6,897,266	7,131,167	7,131,167
Additions	398,118	556,691	471,433
Disposal	(10,420)	-	-
Business combination (note 15)	8,818,000	-	-
Depreciation	(955,143)	(790,592)	(586,390)
	15,147,821	6,897,266	7,016,210

6. INVESTMENT PROPERTIES

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
At 1 January	6,287,360	7,586,511	7,586,511
Change in fair value	(40,993)	16,050	105,076
Disposal of investment property resulted from sale of subsidiary	-	(1,315,201)	(1,315,201)
	6,246,367	6,287,360	6,376,386

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

7. TRADE AND OTHER RECEIVABLES

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Tuition fees receivables	3,668,976	2,215,770	2,565,000
Provision for impairment of trade receivables	(433,320)	(355,861)	(353,775)
	3,235,656	1,859,909	2,211,225
Prepaid expenses	123,920	90,617	93,184
Staff receivable	11,771	6,670	17,028
Refundable deposits	6,890	9,590	11,640
Due from a related party (note 12)	31,873	-	32,318
Other receivables	36,340	75,582	361,194
	3,446,450	2,042,368	2,726,589

8. CASH AND CASH EQUIVALENTS

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Saving accounts	8,848	9,423	9,428
Cash in hand	13,475	5,298	4,143
Bank balances	3,917,949	2,033,554	2,443,584
Balance in investment portfolio account	-	-	411
	3,940,272	2,048,275	2,457,566

9. BANK BORROWING

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Current	1,582,304	593,054	542,200
Non-current	8,677,750	1,886,350	2,084,400
	10,260,054	2,479,404	2,626,600

Bank borrowing amounting to KD 2,222,794 is Tawarruq financing which represents Islamic financing obtained from a local financial institution and it is repayable in 20 equal quarterly installments and secured against the shares of a subsidiary Kuwait Technical College S.P.C. It carries a profit rate of 2.5% per annum (31 December 2023: 2.5% and 30 September 2023 2.5%) above the discount rate of the Central Bank of Kuwait.

The group obtained amounting to KD 8,037,260 Murabaha from a local financial institution bearing a profit rate of 0.75% annually above the discount rate of the Central Bank of Kuwait. In April 2024, the group entered into a new credit facility to finance the acquisition of Orient Education Services Company. The total available amount under the facility is KD 8,000,000 of which the full amount was drawn as at 30 September 2024. The amounts drawn down are repayable in semiannual instalments, commencing 20 April 2025.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Accounts payable	493,973	220,455	227,006
Accrued NLST	12,672	18,345	-
Accrued Zakat	19,003	9,227	-
Unearned income	2,567,670	-	1,717,330
Lease liabilities	752,705	321,619	316,843
Due to related parties (note 12)	1,186,689	-	44,448
Staff leave provision	207,927	136,124	122,108
Dividend payable	12,039	8,450	8,550
	<u>5,252,678</u>	<u>714,220</u>	<u>2,436,285</u>

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Current	4,529,405	419,141	2,145,588
Non-current	723,273	295,079	290,697
	<u>5,252,678</u>	<u>714,220</u>	<u>2,436,285</u>

11. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the (loss) / profit for the period by the weighted average number of shares in issue excluding treasury shares.

	Three-months ended 30 September		Nine-months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
(Loss) / profit for the period attributable to the equity holders of the Parent Company (KD)	(309,511)	(95,679)	100,053	(66,435)
Weighted average number of shares	150,000,000	150,000,000	150,000,000	150,000,000
Basic and diluted (losses) / profits per share (fils)	<u>(2.06)</u>	<u>(0.64)</u>	<u>0.67</u>	<u>(0.44)</u>

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

12. RELATED PARTY TRANSACTIONS

Related parties represent, major shareholders, directors and key management personnel of the Group, their close family members, and entities controlled, or significantly influenced by the Parent Company. In the ordinary course of business, and subject to the approval of the Group's management, transactions were made with such related parties during the period ended 30 September. Detail of the significant related party transactions and balances are as follows:

	30	31 December	30 September
	September	2023	2023
	2024	(Audited)	(Unaudited)
	(Unaudited)		
Balances			
Due from an associate	31,873	-	32,318
Due to an associate	34,527	-	44,448
Due to related party arising on acquisition	1,152,162	-	-
Dividends payable - shareholders	-	8,450	-
	<u>1,218,562</u>	<u>8,450</u>	<u>76,766</u>

Three-months ended		Nine-months ended	
30 September		30 September	
2024	2023	2024	2023
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Key management compensation:

Salaries and other short term benefits	55,932	49,261	181,449	140,752
End of service benefits	4,528	7,328	17,208	14,080
	<u>60,460</u>	<u>56,589</u>	<u>198,657</u>	<u>154,832</u>

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. SEGMENTAL ANALYSIS

13.1 Geographical and operational segments of the revenues, results, assets and liabilities

An operating segment is a component of an entity that engages in business activities from which it earns revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker represented by the Chairman and Vice Chairman to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group conducts its activities through the following operating segments:

- The academic segment of the university encompasses a broad range of activities, including curriculum development, course delivery, and academic research. This involves creating, organizing, and delivering educational programs to students. The university is responsible for purchasing educational materials, transporting students, facilitating research endeavors, and providing a platform for the exchange of knowledge.
- Investments segment include investment portfolios and investments in non-financial assets held for capital appreciation.

13.2 Operating segments for the revenues and results

The segments results are reported to the senior executive management of the Group, as well as the revenues and results of the Group's business, assets and liabilities are reported in accordance with the above mentioned segments. The following is the segment analysis which is consistent with the internal reports submitted to the management:

i. Segment revenue

	Academic segment		Investments segment		Total	
	Nine months ended 30 September					
	2024	2023	2024	2023	2024	2023
Kuwait	3,949,158	2,516,631	653,358	169,039	4,602,516	2,685,670
Morocco	-	-	9,276	10,084	9,276	10,084
Syria	-	-	(40,993)	105,076	(40,993)	105,076
Total	3,949,158	2,516,631	621,641	284,199	4,570,799	2,800,830

	Academic segment		Investments segment		Total	
	Three months ended 30 September					
	2024	2023	2024	2023	2024	2023
Kuwait	1,224,246	766,960	653,358	26,129	1,350,571	793,089
Morocco	-	-	9,276	10,084	6,923	10,084
Syria	-	-	(40,993)	40,239	(38,944)	40,239
Total	1,224,246	766,960	621,641	76,452	1,318,550	843,412

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. SEGMENTAL ANALYSIS (CONTINUED)

ii. Segment results

	Academic segment		Investments segment		Total	
	Nine months ended 30 September					
	2024	2023	2024	2023	2024	2023
Kuwait	614,378	378,705	(361,261)	(220,896)	253,117	157,809
Morocco	-	-	(34,674)	(176,880)	(34,674)	(176,880)
Syria	-	-	(111,434)	(30,476)	(111,434)	(30,476)
Total	614,378	378,705	(507,369)	(428,252)	107,009	(49,547)

	Academic segment		Investments segment		Total	
	Three months ended 30 September					
	2024	2023	2024	2023	2024	2023
Kuwait	(229,492)	10,165	(102,196)	(353,732)	(331,688)	(343,567)
Morocco	-	-	2,351	267,645	2,351	267,645
Syria	-	-	(88,619)	(10,185)	(88,619)	(10,185)
Total	(229,492)	10,165	(188,464)	(96,272)	(417,956)	(86,107)

13.3 Segmental distribution of assets and liabilities

	30 September 2024		
	Academic segment	Investments segment	Total
	Assets	24,764,784	8,414,161
Liabilities	15,574,764	449,930	16,024,694

	31 December 2023		
	Academic segment	Investments segment	Total
	Assets	11,686,012	6,535,708
Liabilities	3,343,005	146,184	3,489,189

	30 September 2023		
	Academic segment	Investments segment	Total
	Assets	11,497,256	7,996,228
Liabilities	5,323,515	4,664	5,328,179

Intersegment assets and liabilities are eliminated on consolidation.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. SEGMENTAL ANALYSIS (CONTINUED)

13.4 Geographical distribution of assets and liabilities

	30 September 2024			Total
	Kuwait	Morocco	Syria	
Assets	25,943,696	988,850	6,246,400	33,178,945
Liabilities	16,024,638	-	-	16,024,694

	31 December 2023			Total
	Kuwait	Morocco	Syria	
Assets	10,265,600	1,668,727	6,287,393	18,221,720
Liabilities	3,483,849	2,491	2,849	3,489,189

	30 September 2023			Total
	Kuwait	Morocco	Syria	
Assets	12,090,926	1,025,982	6,376,576	19,493,484
Liabilities	5,326,375	1,421	383	5,328,179

14. ASSET HELD FOR SALE

During the previous year ended 31 December 2023, the Group signed an agreement to sell 70% of its ownership of Dream Building SARL, an indirect subsidiary of the Group reducing its ownership from 85% to 15%. Accordingly, the Group no longer has control over the subsidiary. Simultaneously, the Group has signed another agreement comprising a promise to sell the remaining 15% ownership of the indirect subsidiary. The group is in the final stage of transferring the remaining ownership to the buyer and accordingly, the remaining 15% ownership has been classified as an asset held for sale.

15. BUSINESS COMBINATION

On 1 May 2024, the Parent Company acquired 70% of the shares of Orient Education Services Company ("OES") a Kuwaiti based education company that owns and operates a college, Algonquin College, which offers diploma and degree programs in business, art and advanced technology fields. The acquisition has significantly increased the group's market share and complements the group's existing education industry business. The group obtained control of the OES through acquiring 70% of its shareholding and majority representation on the board of directors.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

15. BUSINESS COMBINATION (CONTINUED)

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

The purchase consideration was for total cash outflow of KD 7,000,000 fully paid in cash. The assets and liabilities recognised as a result of the acquisition are as follows:

	<u>Fair value</u>
Trade and other receivables	322,065
Investments	108,616
Property, plant & equipment	8,818,000
Cash	14,000
Account and other payable	(1,923,000)
Lease liabilities	(614,000)
Borrowings	(896,000)
End of service benefit	(130,000)
Net identifiable assets acquired	5,699,681
Less: non-controlling interests	(1,709,904)
Add: goodwill	3,010,223
Net assets acquired	<u><u>7,000,000</u></u>

Goodwill is attributable to Orient Education Services Co.'s strong position in the higher education sector, along with the anticipated cost synergies resulting from the acquisition. Goodwill has been allocated to the education services segment.

Acquisition-related costs

Direct transaction costs of KD 207,655 are included in administrative expenses in profit or loss.

Acquired receivables

The fair value of acquired trade receivables is KD 322K which represents gross contractual amount for trade receivables due is KD 369k, with KD 47k not expected to be recovered.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

15. BUSINESS COMBINATION (CONTINUED)

Accounting policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in OES, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

Revenue and profit contribution

The acquired business contributed revenues of KD 322,331 and net loss of KD (279,079) to the group for the period from 1 May to 30 September 2024.

If the acquisition had occurred on 1 January 2024, consolidated pro-forma revenue and loss for the period ended 30 September 2024 would have been KD 521,323 and KD (650,521) respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary (if any), and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 May 2024.

16. RESTATEMENT EFFECT – CORRECTION OF ERRORS

During the period, management has re-evaluated the accounting treatment and presentation of certain transactions and balances in the condensed consolidated interim financial information to determine if these have been accounted for correctly and presented appropriately in line with the requirements of IFRS Accounting Standards. Where necessary, changes in presentation were made in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors. The impact of the restatements below has been presented in the tables below:

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. RESTATEMENT EFFECT – CORRECTION OF ERRORS (CONTINUED)

Restatement 1 – Correction of an error in the classification of financial asset at fair value through other comprehensive income to be financial asset at fair value through profit or loss

As at 30 September 2023, the investment in Hajar Towers in Saudi Arabia was classified as an equity instrument at fair value through other comprehensive income (FVOCI). As such, all fair value movements were presented in the other comprehensive income in the condensed consolidated interim statement of comprehensive income.

As at 31 December 2023, on review of the contractual terms it was noted that the instruments did not meet the definition of an equity instrument from the perspective of the issuer and the returns received did not represent solely payments of principal and interest. As such, this investment did not meet the classification requirements in International Financial Report Standard 9 - Financial Instruments (IFRS 9) to be classified as a financial instrument at FVOCI.

In the current period this investment has been classified as a financial asset at fair value through profit or loss (FVTPL). In addition, all fair value movements were accounted for in the condensed consolidated interim statement of income and not in other comprehensive income. The carrying amount of the asset on the statement of financial position was split between current and non-current based on timing and amounts of expected cash flows.

Restatement 2 – Correction of an error related to determining functional currency of a foreign subsidiaries

In the condensed consolidated interim financial information for period ended 30 September 2023, the Group had three subsidiary entities incorporated in foreign jurisdictions and the functional currency of the subsidiaries was determined to be USD and MAD. The subsidiaries had no management structure, no cash inflows and were merely holding investments in underlying vacant land.

In 2023, management performed an assessment to determine if the functional currency was appropriate. In terms of International Accounting Standard 21 - The effects of changes in foreign exchange rates (IAS 21), foreign operations need to be assessed to determine if the such entities are autonomous from the parent entity. Management determined that these entities were not autonomous and should be considered an extension of the parent and therefore have the same functional currency as the parent, namely the KWD.

As such, the functional currency was changed from USD/MAD to KWD. This resulted in the exchange differences being recorded in the condensed consolidated interim statement of income, primarily as part of the fair value movement on investment property, and no longer in other comprehensive income. Accumulated foreign currency translation reserve balances were reclassified to accumulated losses.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. RESTATEMENT EFFECT – CORRECTION OF ERRORS (CONTINUED)

Restatement 3 – Corrections of the accounting treatment for the consideration paid to acquire leasehold

During 2018, as part of the acquisition of Kuwait Technical College, the land lease where the college stands was considered to contain an off-market element and as per the requirements of IFRS 3, the favourable component was accounted for as a key money asset and was not depreciated as it was considered to have a residual value which was higher than the carrying value based on the valuation obtained.

On the adoption of IFRS 16 leases, the transition requirements with respect to the favourable element (off-market element) required the lessee to derecognise that asset and adjust the carrying amount of the right-of-use asset by a corresponding amount at the date of initial application. Management had not adjusted this amount against the right-of-use asset and the balance was not depreciated over the lease term.

In order to correct the above, the key money asset was reclassified from being a separate category in property, plant and equipment to be under the right of use assets and was depreciated over the lease term.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. RESTATEMENT EFFECT – CORRECTION OF ERRORS (CONTINUED)

Below is the impact of the correction on the condensed consolidated interim financial information line items for the periods impacted.

	<u>Previous presentation</u>	<u>Restatement 1</u>	<u>Restatement 2</u>	<u>Restatement 3</u>	<u>Current presentation</u>
Condensed consolidated interim statement of financial position as at 1 January 2023					
Financial assets at fair value through other comprehensive income	351,858	(340,001)	-	-	11,857
Financial asset at fair value through profit or loss	-	340,001	-	-	340,001
Fair value reserve	(1,146,104)	1,146,104	-	-	-
Foreign currency translation reserve	1,481,669	-	(1,481,669)	-	-
Accumulated losses	(3,610,004)	(1,146,104)	1,481,669	(897,254)	(4,171,693)
Non controlling interest	3,587,321	-	-	(66,496)	3,520,825
Property, plant and equipment	8,094,917	-	-	(963,750)	7,131,167

	<u>Previous presentation</u>	<u>Restatement 1</u>	<u>Restatement 2</u>	<u>Restatement 3</u>	<u>Current presentation</u>
Condensed consolidated interim statement of financial position as at 30 September 2023					
Financial assets at fair value through other comprehensive income	351,858	(340,001)	-	-	11,857
Financial asset at fair value through profit or loss	-	340,001	-	-	340,001
Fair value reserve	(1,146,104)	1,146,104	-	-	-
Foreign currency translation reserve	1,692,712	-	(1,692,712)	-	-
Accumulated losses	(3,734,739)	(1,146,104)	1,692,712	(1,049,997)	(4,238,128)
Non controlling interest	3,481,249	-	-	(77,816)	3,403,433
Property, plant and equipment	8,144,023	-	-	(1,127,813)	7,016,210

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. RESTATEMENT EFFECT – CORRECTION OF ERRORS (CONTINUED)

	<u>Previous presentation</u>	<u>Restatement 1</u>	<u>Restatement 2</u>	<u>Restatement 3</u>	<u>Current presentation</u>
Condensed consolidated interim statement of income for the nine-month period ended 30 Septmebr 2023					
Change in fair value of investment properties	-	-	105,076	-	105,076
Change in fair value of financial assets at fair value through profit or loss	-	124,888	-	-	124,888
Dividend income	124,888	(124,888)	-	-	-
Foreign exchange (loss) / gain	(11,418)	-	(7,489)	-	(18,907)
Depreciation	(422,327)	-	-	(164,063)	(586,390)
Loss on sale of subsidiary	(391,535)	-	349,859	-	(41,676)
Condensed consolidated interim statement of comprehensive income for the nine-month period ended 30 September 2023					
Exchange difference arising on translation of foreign operations	97,587	-	(97,587)	-	-
Exchange difference arising on translation of foreign operation transferred to profit & loss	349,859	-	(349,859)	-	-

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. RESTATEMENT EFFECT – CORRECTION OF ERRORS (CONTINUED)

	<u>Previous presentation</u>	<u>Restatement 1</u>	<u>Restatement 2</u>	<u>Restatement 3</u>	<u>Current presentation</u>
Condensed consolidated interim statement of income for the three-month period ended 30 September 2023					
Change in fair value of investment properties	-	-	40,239	-	40,239
Change in fair value of financial assets at fair value through profit or loss	-	46,614	-	-	46,614
Dividend income	46,614	(46,614)	-	-	-
Foreign exchange (loss) / gain	(2,837)	-	(8,603)	-	(11,440)
Depreciation	(144,414)	-	-	(54,688)	(199,102)
Condensed consolidated interim statement of comprehensive income for the three-month period ended 30 September 2023					
Exchange difference arising on translation of foreign operations	31,636	-	(31,636)	-	-

Correction of error in classification in condensed consolidated interim statement of cash flow

Principal of lease liabilities paid from IFRS 16 was classified within changes in working capital under trade and other payables part of operating activities and has been reclassified to be presented on the face of condensed consolidated interim statement of cash flows under financing activities to comply with the requirements of IAS 7.

In accordance with IAS 7, net foreign exchange differences are not cash flows, accordingly the effect of foreign currency exchange rates is to be presented separately from cash flows from operating, investing and financing activities. In the prior period, the effect of foreign currency exchange rates was reported before the net decrease in cash and cash equivalents and has been reclassified to be presented after a net decrease in cash and cash equivalents.

	<u>Previous presentation</u>	<u>Restatement</u>	<u>Current presentation</u>
Condensed consolidated interim statement of cash flows for the period ended 30 September 2023			
Net increase in cash and cash equivalents	2,305,186	18,706	2,323,892

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. RESTATEMENT EFFECT – CORRECTION OF ERRORS (CONTINUED)

Adjustment to the nine-months period ended 30 September 2023 basic and diluted earnings per share

The above adjustments resulted in change of the loss attributable to equity holders of the parent company for the nine-months period ended 30 September 2023 from KD (332,930) to KD (49,547) after adjustments. As a result of this, the basic and diluted earnings per share for that period were adjusted by KD 0.50 fils from KD (0.83) fils to KD (0.33) fils. Please refer to note 11.

Adjustment to the three-months period ended 30 September 2023 basic and diluted earnings per share

The above adjustments resulted in change of the profit attributable to equity holders of the parent company for the three-months period ended 30 September 2023 from KD (63,055) to KD (86,107) after adjustments. As a result of this, the basic and diluted earnings per share for that period were adjusted by KD (0.17) fils from KD (0.40) fils to KD (0.57) fils. Please refer to note 11.