

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 three month period ended 31 March 2025

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State of Kuwait**

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**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 (the "Group") as at 31 March 2025, and the related condensed consolidated interim statements of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three 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 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 6,364,005 at 31 March 2025 (KD 6,357,814 at 31 December 2024 and KD 6,300,683 at 31 March 2024) represent undeveloped plots of land 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 land as on 31 December 2024 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 appropriateness of the fair value of the plots of land at 31 March 2025, 31 December 2024 and 31 March 2024, and whether any adjustments may be required to the carrying amount of the plots of land, including to the change in fair value of investment properties recognised in 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 International Accounting Standard 34 "Interim Financial Reporting" ("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 three-month period ended 31 March 2025, that might have had a material effect on the business of the Group 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 three-month period ended 31 March 2025 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 Group or its consolidated financial position.



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

12 May 2025
Kuwait

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

Condensed consolidated interim statement of financial position

As at 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

| | Notes | 31 March 2025 (Unaudited) | 31 December 2024 (Audited) | 31 March 2024 (Unaudited) |
|--|-------|---------------------------------|----------------------------------|---------------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 5 | 14,531,088 | 14,880,382 | 6,817,449 |
| Intangible assets | | 350,693 | 361,110 | 392,360 |
| Goodwill | 14 | 3,010,223 | 3,010,223 | - |
| Investment properties | 4 & 6 | 6,364,005 | 6,357,814 | 6,300,683 |
| Investments in associate | | 8,125 | 9,443 | 10,036 |
| Financial asset at fair value through profit or loss | 4 | 646,235 | 655,463 | 312,436 |
| Financial asset at fair value through other comprehensive income | 4 | 1,003 | 3,003 | 11,857 |
| | | <u>24,911,372</u> | <u>25,277,438</u> | <u>13,844,821</u> |
| Current assets | | | | |
| Financial asset at fair value through profit or loss | 4 | 102,581 | 128,822 | 69,565 |
| Trade and other receivables | 7 | 3,746,044 | 876,621 | 2,186,197 |
| Cash and cash equivalents | 8 | 4,523,937 | 6,023,681 | 3,195,654 |
| | | <u>8,372,562</u> | <u>7,029,124</u> | <u>5,451,416</u> |
| Asset held for sale | | - | - | 139,373 |
| Total assets | | <u>33,283,934</u> | <u>32,306,562</u> | <u>19,435,610</u> |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Share capital | | 15,000,000 | 15,000,000 | 15,000,000 |
| Accumulated losses | | (2,777,957) | (2,606,275) | (3,435,828) |
| Equity attributable to equity holders of the | | | | |
| Parent Company | | <u>12,222,043</u> | <u>12,393,725</u> | <u>11,564,172</u> |
| Non-controlling interests | | <u>5,421,755</u> | <u>5,497,069</u> | <u>3,313,191</u> |
| Net equity | | <u>17,643,798</u> | <u>17,890,794</u> | <u>14,877,363</u> |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Employees' end of service benefits | | 503,900 | 519,528 | 326,390 |
| Bank borrowing | 9 | 8,171,100 | 8,356,650 | 1,688,300 |
| Accounts payable and other liabilities | 10 | 700,770 | 694,129 | 299,528 |
| | | <u>9,375,770</u> | <u>9,570,307</u> | <u>2,314,218</u> |
| Current liabilities | | | | |
| Bank borrowing | 9 | 3,348,234 | 3,351,066 | 675,644 |
| Accounts payable and other liabilities | 10 | 2,916,132 | 1,494,395 | 1,568,385 |
| | | <u>6,264,366</u> | <u>4,845,461</u> | <u>2,244,029</u> |
| Total liabilities | | <u>15,640,136</u> | <u>14,415,768</u> | <u>4,558,247</u> |
| Total equity and liabilities | | <u>33,283,934</u> | <u>32,306,562</u> | <u>19,435,610</u> |

Mishari Ayman Boodal
Chairman

Saleh Mohammad Alroomi
Board member and General Manager

The notes on pages 7 to 14 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of income
For the three month period ended 31 March 2025
(All amounts are in Kuwaiti Dinar unless otherwise stated)

| | Notes | Three months ended 31 March | |
|--|-------|--------------------------------|---------------------|
| | | 2025 (Unaudited) | 2024 (Unaudited) |
| Income | | | |
| Tuition fees - revenue | | 1,553,000 | 1,105,660 |
| Change in fair value of investment properties | | - | 13,323 |
| Change in fair value of financial assets at fair value through profit or loss | 4 | (5,424) | 43,071 |
| Gain on sale of financial assets at fair value through other comprehensive income | | 95,490 | - |
| Share of results of investment in an associate | | (1,318) | (701) |
| Foreign exchange gain | | 12,658 | 12,977 |
| Other income | | 123,520 | 73,794 |
| | | <u>1,777,926</u> | <u>1,248,124</u> |
| Expenses | | | |
| Direct cost of tuition fees | | (723,186) | (495,706) |
| General and administrative expenses | | (578,461) | (337,911) |
| Net impairment losses on financial assets | | (7,031) | - |
| Depreciation | 5 | (429,771) | (201,901) |
| Amortisation of intangible assets | | (10,417) | (10,417) |
| Finance costs | | (193,256) | (50,031) |
| | | <u>(1,942,122)</u> | <u>(1,095,966)</u> |
| (Loss) / profit before contribution to National Labour Support Tax ("NLST") and Zakat | | (164,196) | 152,158 |
| Contribution to National Labour Support Tax ("NLST") | | - | (3,145) |
| Contribution to Zakat | | - | (4,181) |
| Profit for the period | | (164,196) | 144,832 |
| Attributable to: | | | |
| Equity holders of the Parent Company | | (171,682) | 129,107 |
| Non-controlling interests | | 7,486 | 15,725 |
| (Loss) / profit for the period | | (164,196) | 144,832 |
| Basic and diluted earnings per share (fils) | 11 | (1.14) | 0.86 |

The notes on pages 7 to 14 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of comprehensive income
For the three month period ended 31 March 2025
(All amounts are in Kuwaiti Dinar unless otherwise stated)

| | Three months ended 31 March | |
|---|--------------------------------|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| (Loss) / profit for the period | (164,196) | 144,832 |
| Other comprehensive income for the period: | - | - |
| Total comprehensive (loss) / income for the period | (164,196) | 144,832 |
| Attributable to: | | |
| Equity holders of the Parent Company | (171,682) | 129,107 |
| Non-controlling interests | 7,486 | 15,725 |
| Total comprehensive (loss) / income for the period | (164,196) | 144,832 |

Condensed consolidated interim statement of changes in equity
For the three month period ended 31 March 2025
(All amounts are in Kuwaiti Dinar unless otherwise stated)

| | Equity attributable to the owners of the Parent Company (unaudited) | | | | |
|--|---|--------------------|------------|---|------------|
| | Share capital | Accumulated losses | Sub-total | Non-controlling interests (unaudited) Total (unaudited) | |
| Balance at 1 January 2025 | 15,000,000 | (2,606,275) | 12,393,725 | 5,497,069 | 17,890,794 |
| Loss for the period | - | (171,682) | (171,682) | 7,486 | (164,196) |
| Total comprehensive (loss) / income for the period | - | (171,682) | (171,682) | 7,486 | (164,196) |
| Dividend paid by subsidiary | - | - | - | (82,800) | (82,800) |
| Balance at 31 March 2025 | 15,000,000 | (2,777,957) | 12,222,043 | 5,421,755 | 17,643,798 |
| Balance at 1 January 2024 | 15,000,000 | (3,564,935) | 11,435,065 | 3,297,466 | 14,732,531 |
| Profit for the period | - | 129,107 | 129,107 | 15,725 | 144,832 |
| Total comprehensive income for the period | - | 129,107 | 129,107 | 15,725 | 144,832 |
| Balance at 31 March 2024 | 15,000,000 | (3,435,828) | 11,564,172 | 3,313,191 | 14,877,363 |

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

| | | Three months ended 31 March | |
|--|---|--------------------------------|--------------------------------|
| | | 2025 (Unaudited) | 2024 (Unaudited) Note 15 |
| Operating activities | | | |
| (Loss) / profit before contribution to National Labour Support Tax ("NLST") and Zakat | | (164,196) | 152,158 |
| <i>Adjustments:</i> | | | |
| Depreciation | 5 | 429,771 | 201,901 |
| Amortisation of intangible assets | | 10,417 | 10,417 |
| Gain on sale of financial assets at fair value through other comprehensive income | | (95,490) | - |
| Share of results of investment in an associate | | 1,318 | 701 |
| Change in fair value of investment properties | | - | (13,323) |
| Change in fair value of financial asset at fair value through profit or loss | 4 | 5,424 | (43,071) |
| Net impairment losses on financial assets | | 7,031 | |
| Finance costs | | 193,256 | 50,031 |
| Foreign exchange gain | | (12,658) | (12,977) |
| Employees' end of service benefits | | 41,330 | 36,388 |
| | | <u>416,203</u> | <u>382,225</u> |
| Changes in working capital | | | |
| Trade and other receivables | | (2,876,454) | (141,410) |
| Trade and other payables | | 1,656,479 | 1,141,519 |
| Cash flows (used in) / generated from operations | | <u>(803,772)</u> | <u>1,382,334</u> |
| Zakat Paid | | (26,569) | - |
| Employees' end of service benefits paid | | (56,958) | (5,563) |
| Net cash flows (used in) / generated from operating activities | | <u>(887,299)</u> | <u>1,376,771</u> |
| Investing activities | | | |
| Purchase of property, plant and equipment | 5 | (80,477) | (122,084) |
| Investment income received | | 30,045 | 43,071 |
| Net proceeds on sale of financial assets at fair value through other comprehensive income | | 97,490 | - |
| Net movement on non controlling interest | | (82,800) | - |
| Net cash flows used in investing activities | | <u>(35,742)</u> | <u>(79,013)</u> |
| Financing activities | | | |
| Proceeds from borrowings | | 63,623 | - |
| Payment of term borrowing | | (252,005) | (135,550) |
| Lease liabilities paid | | (210,511) | - |
| Finance costs paid | | (184,277) | (25,093) |
| Net cash flows used in financing activities | | <u>(583,170)</u> | <u>(160,643)</u> |
| Net (decrease) / increase in cash and cash equivalents | | <u>(1,506,211)</u> | <u>1,137,115</u> |
| Effects of exchange rate changes on cash and cash equivalents | | 6,467 | 10,264 |
| Cash and cash equivalents at beginning of the period | | 6,023,681 | 2,048,275 |
| Cash and cash equivalents at end of the period | 8 | <u>4,523,937</u> | <u>3,195,654</u> |

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(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 consolidated financial statements for the year ended 31 December 2024 were authorized for issuance by the Board of Directors of the Parent Company on 9 March 2025 and the Annual General Assembly of the shareholders on 20 April 2025.

The condensed consolidated interim financial information of the Group for the period ended 31 March 2025 was authorised for issue by the Board of Directors of the Parent Company on 12 May 2025.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

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

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 2024 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 2025:

- Amendments to IAS 21 – Lack of Exchangeability

The amendments listed above did not have any 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 2025 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.

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 2024.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total fair value</u> |
|--|----------------|----------------|----------------|-------------------------|
| 31 March 2025 (Unaudited) | | | | |
| Investment properties | - | - | 6,364,005 | 6,364,005 |
| Financial asset at fair value through other comprehensive income | - | - | 1,003 | 1,003 |
| Financial assets at fair value through profit or loss | - | - | 748,816 | 748,816 |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total fair value</u> |
| 31 December 2024 (Audited) | | | | |
| Investment properties | - | - | 6,357,814 | 6,357,814 |
| Financial asset at fair value through other comprehensive income | - | - | 3,003 | 3,003 |
| Financial assets at fair value through profit or loss | - | - | 784,285 | 784,285 |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total fair value</u> |
| 31 March 2024 (Unaudited) | | | | |
| Investment properties | - | - | 6,300,683 | 6,300,683 |
| 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 |

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:

| | <u>31 March 2025 (Unaudited)</u> | <u>31 December 2024 (Audited)</u> | <u>31 March 2024 (Unaudited)</u> |
|--|--|---|--|
| Opening balance | 784,285 | 382,001 | 382,001 |
| Change in fair value | (5,424) | 510,792 | 43,071 |
| Cash received | (30,045) | (214,124) | (43,071) |
| Arise from acquisition of a subsidiary | - | 105,616 | - |
| Ending balance | <u>748,816</u> | <u>784,285</u> | <u>382,001</u> |

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. PROPERTY AND EQUIPMENT

| | 31 March 2025 (Unaudited) | 31 December 2024 (Audited) | 31 March 2024 (Unaudited) |
|--|---------------------------------|----------------------------------|---------------------------------|
| At 1 January | 14,880,382 | 6,897,266 | 6,897,266 |
| Arising from acquisition of a subsidiary | - | 8,818,000 | - |
| Additions | 80,477 | 540,766 | 122,084 |
| Depreciation | (429,771) | (1,375,650) | (201,901) |
| | <u>14,531,088</u> | <u>14,880,382</u> | <u>6,817,449</u> |

6. INVESTMENT PROPERTIES

| | 31 March 2025 (Unaudited) | 31 December 2024 (Audited) | 31 March 2024 (Unaudited) |
|-----------------------|---------------------------------|----------------------------------|---------------------------------|
| At 1 January | 6,357,814 | 6,287,360 | 6,287,360 |
| Change in fair value | - | 42,784 | 13,323 |
| Foreign exchange gain | 6,191 | 27,670 | - |
| | <u>6,364,005</u> | <u>6,357,814</u> | <u>6,300,683</u> |

7. TRADE AND OTHER RECEIVABLES

| | 31 March 2025 (Unaudited) | 31 December 2024 (Audited) | 31 March 2024 (Unaudited) |
|---|---------------------------------|----------------------------------|---------------------------------|
| Trade receivables | 3,100,145 | 892,668 | 2,313,088 |
| Provision for impairment of trade receivables | (139,922) | (163,577) | (349,010) |
| | <u>2,960,223</u> | <u>729,091</u> | <u>1,964,078</u> |
| Prepaid expenses | 222,265 | 44,198 | 120,662 |
| Staff receivable | 12,032 | 9,544 | 7,002 |
| Refundable deposits | 13,340 | 11,340 | 13,565 |
| Due from a related party (note 12) | 250,000 | - | - |
| Other receivables | 288,184 | 82,448 | 80,890 |
| | <u>3,746,044</u> | <u>876,621</u> | <u>2,186,197</u> |

8. CASH AND CASH EQUIVALENTS

| | 31 March 2025 (Unaudited) | 31 December 2024 (Audited) | 31 March 2024 (Unaudited) |
|--|---------------------------------|----------------------------------|---------------------------------|
| Saving accounts | 8,843 | 8,848 | 9,423 |
| Cash in hand | 18,329 | 6,396 | 7,154 |
| Bank balances | 2,996,765 | 5,246,891 | 1,579,077 |
| Deposit with original maturity of less than 3 months | 1,500,000 | 761,546 | 1,600,000 |
| | <u>4,523,937</u> | <u>6,023,681</u> | <u>3,195,654</u> |

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

9. BANK BORROWING

| | 31 March 2025 (Unaudited) | 31 December 2024 (Audited) | 31 March 2024 (Unaudited) |
|-------------|---------------------------------|----------------------------------|---------------------------------|
| Current | 3,348,234 | 3,351,066 | 675,644 |
| Non-current | 8,171,100 | 8,356,650 | 1,688,300 |
| | <u>11,519,334</u> | <u>11,707,716</u> | <u>2,363,944</u> |

Bank borrowing relating to parent company includes an amount of KD 1,761,027 (31 December 2024: 1,764,217 and 31 March 2024: Nil) under Murabaha agreement repayable over a period of 6 months and carrying profit rate of 6%.

Bank borrowing relating to one of the subsidiaries of the Group includes KD 1,700,225 (31 December 2024: KD 1,883,225 and 31 March 2024: KD 2,363,944) under Tawarruq financing repayable in 20 equal quarterly instalments and secured against the shares of a subsidiary Kuwait Technical College S.P.C. It carries an average profit rate of 6.6%-6.75% per annum (31 December 2024: 6.6%-6.75% and 31 March 2024: 6.75%). The agreement stipulates certain financial covenants that require the subsidiary Siraj Holding Company KSCC to maintain a financial leverage ratio not exceeding 1.25. The subsidiary was in compliance with this covenant.

Bank borrowing relating to the one of the subsidiaries of the Group includes KD 8,058,082 (31 December 2024: KD 8,060,274 and 31 March 2024: KD Nil) under Murabaha agreement are secured and repayable in semi-annual instalments, commencing 20 April 2025. The carrying profit rate on this borrowing is 5%.

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

| | 31 March 2025 (Unaudited) | 31 December 2024 (Audited) | 31 March 2024 (Unaudited) |
|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| Accounts payable | 731,825 | 541,161 | 198,100 |
| Accrued NLST | - | - | 3,145 |
| Accrued Zakat | 2,475 | 2,475 | 4,181 |
| Unearned income | 1,565,510 | 3,850 | 1,122,538 |
| Lease liabilities | 770,555 | 761,574 | 326,468 |
| Due to related parties (note 12) | 306,787 | 652,338 | - |
| Staff leave provision | 231,875 | 219,251 | 156,601 |
| Dividend payable | 7,875 | 7,875 | 56,880 |
| | <u>3,616,902</u> | <u>2,188,524</u> | <u>1,867,913</u> |
| | 31 March 2025 (Unaudited) | 31 December 2024 (Audited) | 31 March 2024 (Unaudited) |
| Current | 2,916,132 | 1,494,395 | 1,568,385 |
| Non-current | 700,770 | 694,129 | 299,528 |
| | <u>3,616,902</u> | <u>2,188,524</u> | <u>1,867,913</u> |

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

11. BASIC AND DILUTED EARNINGS PER SHARE

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

| | Three months ended 31 March | |
|--|--------------------------------|----------------------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) (Note 15) |
| (Loss) / profit for the period attributable to the equity holders of the Parent Company (KD) | (171,682) | 129,107 |
| Weighted average number of shares | 150,000,000 | 150,000,000 |
| Basic and diluted earnings per share (fils) | (1.14) | 0.86 |

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 31 March. Detail of the significant related party transactions and balances are as follows:

| | 31 March 2025 (Unaudited) | 31 December 2024 (Audited) | 31 March 2024 (Unaudited) |
|--|---------------------------------|----------------------------------|---------------------------------|
| Balances | | | |
| Due to related parties – non controlling interest (note 10) | 274,322 | 652,338 | - |
| Dividends payable – shareholders (note 10) | 7,875 | 7,875 | 56,880 |
| Due from a related party - non controlling interest (note 7) | 250,000 | - | - |
| Due to related parties – associate (note 10) | 32,465 | - | - |

| | Three months ended 31 March | |
|--|--------------------------------|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| Key management compensation: | | |
| Salaries and other short term benefits | 93,197 | 64,054 |
| End of service benefits | 6,132 | 7,221 |
| | 99,329 | 71,275 |

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.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. SEGMENTAL ANALYSIS (CONTINUED)

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 | |
|--------------|-----------------------------|------------------|---------------------|---------------|------------------|------------------|
| | Three months ended 31 March | | | | | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | | | | | | |
| Kuwait | 1,731,820 | 1,172,204 | 29,595 | 55,263 | 1,761,415 | 1,227,467 |
| Morocco | - | - | 10,320 | 10,264 | 10,320 | 10,264 |
| Syria | - | - | 6,191 | 10,393 | 6,191 | 10,393 |
| Total | 1,731,820 | 1,172,204 | 46,106 | 75,920 | 1,777,926 | 1,248,124 |

ii. Segment results

| iii. Segment Results | Academic segment | | Investments segment | | Total | |
|----------------------|-----------------------------|----------------|---------------------|------------------|------------------|----------------|
| | Three months ended 31 March | | | | | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Kuwait | 174,897 | 291,627 | (339,389) | (122,062) | (164,492) | 169,565 |
| Morocco | - | - | 3,955 | (11,470) | 3,955 | (11,470) |
| Syria | - | - | (3,659) | (13,263) | (3,659) | (13,263) |
| Total | 174,897 | 291,627 | (339,093) | (146,795) | (164,196) | 144,832 |

13.3 Segmental distribution of assets and liabilities

| | 31 March 2025 | | |
|-------------|------------------|---------------------|------------|
| | Academic segment | Investments segment | Total |
| Assets | 22,288,200 | 10,995,734 | 33,283,934 |
| Liabilities | 5,606,020 | 10,034,116 | 15,640,136 |

| | 31 December 2024 | | |
|-------------|------------------|---------------------|------------|
| | Academic segment | Investments segment | Total |
| Assets | 21,093,657 | 11,212,905 | 32,306,562 |
| Liabilities | 4,450,829 | 9,964,939 | 14,415,768 |

| | 31 March 2024 | | |
|-------------|------------------|---------------------|------------|
| | Academic segment | Investments segment | Total |
| Assets | 12,914,671 | 6,520,939 | 19,435,610 |
| Liabilities | 4,335,308 | 222,939 | 4,558,247 |

Intersegment assets and liabilities are eliminated on consolidation.

Notes to the condensed consolidated interim financial information (Unaudited)

For the three month period ended 31 March 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. SEGMENTAL ANALYSIS (CONTINUED)

13.4 Geographical distribution of assets and liabilities

| | | 31 March 2025 | | | |
|-------------|--|------------------|-----------|-----------|------------|
| | | Kuwait | Morocco | Syria | Total |
| Assets | | 26,423,583 | 496,313 | 6,364,038 | 33,283,934 |
| Liabilities | | 12,363,741 | - | 3,276,395 | 15,640,136 |
| | | 31 December 2024 | | | |
| | | Kuwait | Morocco | Syria | Total |
| Assets | | 24,941,564 | 1,007,155 | 6,357,843 | 32,306,562 |
| Liabilities | | 14,415,716 | - | 52 | 14,415,768 |
| | | 31 March 2024 | | | |
| | | Kuwait | Morocco | Syria | Total |
| Assets | | 11,475,350 | 1,659,544 | 6,300,716 | 19,435,610 |
| Liabilities | | 4,555,695 | 1,248 | 1,304 | 4,558,247 |

14. GOODWILL

The Group determines whether goodwill is impaired, at least on an annual basis unless there are any indicators of impairment. This requires an estimation of the recoverable amount of the CGUs to which these items are allocated. The recoverable amount is determined based on value-in-use calculations or fair value less cost to sell if that is higher. Goodwill of KD 3,010,223 (31 December 2024: 3,010,223 and 31 March 2024: KD Nil) is allocated to Orient Education Services Company K.S.C. (Closed). The recoverable amount of this CGU was based on its value in use estimated by discounting the future cash flows to be generated from the continuing use of these CGUs. As at 31 December 2024, the estimated recoverable amount of Orient Education Services Company K.S.C. (Closed), was more than the carrying values and management believes that no change took place to this assessment as of 31 March 2025.