Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim condensed consolidated financial information and review report

National Industries Group Holding – KPSC and Subsidiaries

Kuwait

31 March 2025 (Unaudited)

Contents

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Report on review of interim condensed consolidated financial information

To the board of directors of
National Industries Group Holding – KPSC
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of National Industries Group Holding - Kuwaiti Public Shareholding Company (the "Parent Company") and its subsidiaries (together referred to as "the Group") as at 31 March 2025 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-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 violation of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Parent Company's Memorandum of Incorporation 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 or financial position of the Parent Company.

We further report that, during the course of our review, we have not become aware of any material violations of the provision of law no. 7 of 2010 concerning the Capital Markets Authority and its related regulations 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.

Hend Abdullah Al Surayea
(Licence No. 141-A)
Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
8 May 2025

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended 31 March 2025 (Unaudited) KD '000	Three months ended 31 March 2024 (Unaudited) KD '000
Revenue from sales and contract with customers		**38,660**	40,437
Cost of sales and contract with customers		**(33,164)**	(30,786)
Gross profit		**5,496**	9,651
Gain from financial assets at fair value through profit or loss		**18,149**	19,851
Dividend income		**664**	10,039
Interest income		**2,934**	3,357
Share of results of associates	10	**12,254**	12,238
Rental income		**811**	714
Other income		**1,338**	2,812
		41,646	58,662
General, administrative and other expenses		**(7,901)**	(8,489)
Distribution costs		**(2,360)**	(1,944)
Finance costs		**(10,341)**	(11,209)
Net impairment losses		**(54)**	(605)
Profit before taxation		**20,990**	36,415
Taxation charged on overseas subsidiaries		**(98)**	(108)
Profit for the period		**20,892**	36,307
Profit for the period attributable to:			
Owners of the Parent Company		**17,762**	29,514
Non-controlling interests		**3,130**	6,793
		20,892	36,307
Basic and diluted earnings per share attributable to the owners of the Parent Company	5	**7.13 Fils**	12.45 Fils

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

	Three months ended 31 March 2025 (Unaudited) KD '000	Three months ended 31 March 2024 (Unaudited) KD '000
Profit for the period	**20,892**	36,307
Other comprehensive (loss)/income:		
Items that will be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(1,045)**	1,184
Net change in fair value of financial assets at FVTOCI	**10**	(45)
Share of other comprehensive loss of associates	**(3,205)**	(635)
	(4,240)	504
Items that will not be reclassified subsequently to profit or loss:		
Net loss from defined benefit plan	**(104)**	(406)
Net change in fair value of financial assets at FVTOCI	**(6,035)**	(2,703)
Share of other comprehensive income/(loss) of associates	**643**	(138)
	(5,496)	(3,247)
Total other comprehensive loss for the period	**(9,736)**	(2,743)
Total comprehensive income for the period	**11,156**	33,564
Total comprehensive income/(loss) attributable to:		
Owners of the Parent Company	**11,858**	27,358
Non-controlling interests	**(702)**	6,206
	11,156	33,564

Interim condensed consolidated statement of financial position

	Note	**31 March 2025 (Unaudited) KD '000**	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Assets				
Cash and cash equivalents	6	**198,897**	197,296	202,035
Accounts receivable and other assets		**149,575**	145,341	148,631
Inventories		**45,762**	46,130	46,259
Financial assets at amortised cost		**10,818**	10,904	5,666
Financial assets at fair value through profit or loss	7	**435,235**	420,271	408,624
Financial assets at fair value through other comprehensive income	8	**140,130**	146,482	162,313
Investment properties	9	**69,583**	69,171	62,204
Investment in associates	10	**437,197**	431,792	380,353
Property, plant and equipment		**116,766**	116,102	116,657
Intangible assets		**9,303**	9,623	10,549
Goodwill		**5,959**	6,103	9,213
Total assets		**1,619,225**	1,599,215	1,552,504
Liabilities and equity				
Liabilities				
Due to banks	6	**12,884**	16,446	10,647
Accounts payable and other liabilities		**100,375**	93,919	104,890
Borrowings	11	**707,617**	664,771	652,946
Bonds	12	**38,100**	68,100	68,100
Provisions		**18,052**	17,856	17,192
Total liabilities		**877,028**	861,092	853,775
Equity				
Share capital	13	**240,994**	240,994	229,518
Share premium	13	**175,435**	175,435	175,435
Treasury shares	14	**(23,975)**	(23,975)	(23,975)
Statutory and general reserves		**64,597**	64,597	52,679
Other components of equity	15	**(7,588)**	(1,725)	(5,265)
Retained earnings		**113,156**	95,584	97,791
Equity attributable to the owners of the Parent Company		**562,619**	550,910	526,183
Non-controlling interests		**179,578**	187,213	172,546
Total equity		**742,197**	738,123	698,729
Total liabilities and equity		**1,619,225**	1,599,215	1,552,504

Sa'ad Mohammed Al-Sa'ad
Chairman

Ahmad Mohammed Hassan
Chief Executive Officer

The notes set out on pages 9 to 24 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD '000	Share premium KD '000	Treasury shares KD '000	Statutory and general reserves KD '000	Other components of equity KD '000	Retained earnings KD '000	Sub-total KD '000	KD '000	KD '000
Balance at 1 January 2025	240,994	175,435	(23,975)	64,597	(1,725)	95,584	550,910	187,213	738,123
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(6,242)	(6,242)
Consolidation and other adjustments	-	-	-	-	216	(365)	(149)	(691)	(840)
Transactions with owners	-	-	-	-	216	(365)	(149)	(6,933)	(7,082)
Profit for the period	-	-	-	-	-	17,762	17,762	3,130	20,892
Other comprehensive loss for the period	-	-	-	-	(5,800)	(104)	(5,904)	(3,832)	(9,736)
Total comprehensive (loss)/income for the period	-	-	-	-	(5,800)	17,658	11,858	(702)	11,156
Gain on sale of financial assets at FVTOCI	-	-	-	-	(279)	279	-	-	-
Balance at 31 March 2025	240,994	175,435	(23,975)	64,597	(7,588)	113,156	562,619	179,578	742,197

The notes set out on pages 9 to 24 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD '000	Share premium KD '000	Treasury shares KD '000	Statutory and general reserves KD '000	Other components of equity KD '000	Retained earnings KD '000	Sub-total KD '000	KD '000	KD '000
Balance at 1 January 2024	229,518	175,435	(23,975)	52,679	(4,845)	70,090	498,902	166,383	665,285
Consolidation and other adjustments	-	-	-	-	465	(542)	(77)	(43)	(120)
Transactions with owners	-	-	-	-	465	(542)	(77)	(43)	(120)
Profit for the period	-	-	-	-	-	29,514	29,514	6,793	36,307
Other comprehensive loss for the period	-	-	-	-	(1,750)	(406)	(2,156)	(587)	(2,743)
Total comprehensive (loss)/income for the period	-	-	-	-	(1,750)	29,108	27,358	6,206	33,564
Loss on sale of financial assets at FVTOCI	-	-	-	-	865	(865)	-	-	-
Balance at 31 March 2024	229,518	175,435	(23,975)	52,679	(5,265)	97,791	526,183	172,546	698,729

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2025 (Unaudited) KD '000	Three months ended 31 March 2024 (Unaudited) KD '000
OPERATING ACTIVITIES			
Profit before taxation		**20,990**	36,415
Adjustments for:			
Dividend income		**(664)**	(10,039)
Share of results of associates		**(12,254)**	(12,238)
Interest income		**(2,934)**	(3,357)
Depreciation and amortisation		**2,634**	2,031
Reversal of provisions no longer required		**-**	(2,120)
Finance costs		**10,341**	11,209
Net impairment losses		**54**	605
Net provisions charged during the period		**196**	562
		18,363	23,068
Changes in operating assets and liabilities:			
Inventories		**368**	921
Accounts receivable and other assets		**4,697**	(13,851)
Financial assets at fair value through profit or loss		**(14,964)**	(22,785)
Accounts payable and other liabilities		**(6,700)**	3,948
Cash from/(used in) operations		**1,764**	(8,699)
Taxation paid		**(114)**	(485)
Net cash from/(used in) operating activities		**1,650**	(9,184)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(2,713)**	(1,198)
Additions to investment properties		**(392)**	(4,449)
Purchase of investment in associates		**(670)**	-
Proceeds from disposal of financial asset at amortised cost		**86**	-
Acquisition of financial assets at amortised cost		**-**	(469)
Purchase of financial assets at FVTOCI		**-**	(582)
Proceeds from sale of financial assets at FVTOCI		**327**	495
Dividend income received		**664**	10,039
(Increase)/decrease in short-term deposits maturing after 3 months		**(77,060)**	965
Interest income received		**2,766**	2,241
Net cash (used in)/from investing activities		**(76,992)**	7,042

The notes set out on pages 9 to 24 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows (continued)

	Note	Three months ended 31 March 2025 (Unaudited) KD '000	Three months ended 31 March 2024 (Unaudited) KD '000
FINANCING ACTIVITIES			
Net increase in borrowings		**42,846**	18,183
Repayment of bonds		**(30,000)**	-
Paid to non-controlling interest on capital reduction of a subsidiary		**(32)**	-
Finance costs paid		**(11,274)**	(11,090)
Net cash from financing activities		**1,540**	7,093
Net (decrease)/increase in cash and cash equivalents		**(73,802)**	4,951
Foreign currency translation differences		**1,905**	(291)
		(71,897)	4,660
Cash and cash equivalents at beginning of the period		**166,209**	169,061
Cash and cash equivalents at end of the period	6	**94,312**	173,721

Notes to the interim condensed consolidated financial information

1 General information and nature of operations

National Industries Group Holding – KPSC ("the Parent Company") was incorporated in 1961 as a Kuwaiti shareholding company in accordance with the Commercial Companies Law in the State of Kuwait and, in April 2003, its legal status was changed to a "Holding Company". The Parent Company along with its subsidiaries are jointly referred to as "the Group". The Parent Company's shares are traded on the Kuwait Stock Exchange and Dubai Financial Market.

The main objectives of the Parent Company are as follows:

- Owning stocks and shares in Kuwaiti or non-Kuwaiti shareholding companies and shares in Kuwaiti or non-Kuwaiti limited liability companies and participating in the establishment of, lending to and managing of these companies and acting as a guarantor for these companies.

- Lending money to companies in which it owns 20% or more of the capital of the borrowing company, along with acting as guarantor on behalf of these companies.

- Owning industrial equities such as patents, industrial trademarks, royalties, or any other related rights, and franchising them to other companies or using them within or outside the State of Kuwait.

- Owning real estate and moveable property to conduct its operations within the limits as stipulated by law.

- Employing excess funds available by investing them in investment and real estate portfolios managed by specialised companies.

The address of the Parent Company's registered office is PO Box 417, Safat 13005, State of Kuwait.

The Board of Directors of the Parent Company approved this interim condensed consolidated financial information for issue on 8 May 2025.

2 Basis of preparation

The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2025 has been prepared in accordance with International Accounting Standard 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 as issued by the International Accounting Standards Board ("IASB").

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars 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 Group'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 financial 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.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies

The accounting polices 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.

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 and 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.

Notes to the interim condensed consolidated financial information (continued)

5 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 the weighted average number of shares outstanding during the period as follows:

	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 '000)	**17,762**	29,514
Weighted average number of shares outstanding during the period (excluding treasury shares) – shares	**2,489,925,928**	2,371,358,027
Basic and diluted earnings per share	**7.13 Fils**	12.45 Fils

The basic and diluted earnings per share reported during the previous period for the three-month period ended 31 March 2024 was 13.07 Fils before retroactive adjustments relating to bonus share issue (Note 16).

There were no potential dilutive shares.

6 Cash and cash equivalents

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Cash, bank balances and cash in managed portfolio	**38,752**	27,300	35,882
Term deposits (a)	**160,145**	169,996	166,153
Cash and cash equivalents for the purpose of interim condensed consolidated statement of financial position	**198,897**	197,296	202,035
Less: restricted bank balances	**(5)**	(5)	(6)
Less: term deposits maturing after three months	**(91,696)**	(14,636)	(17,661)
Due to banks (b)	**(12,884)**	(16,446)	(10,647)
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flows	**94,312**	166,209	173,721

a) The term deposits carry an effective interest rate ranging from 2.88% to 4.90% per annum (31 December 2024: 3% to 5.15% per annum and 31 March 2024: 3.5% to 5.5% per annum).

b) Due to banks include bank overdraft facilities which carry commercial interest rates. The facilities are secured by pledge of term deposits of KD600 thousand (31 December 2024: KD600 thousand and 31 March 2024: KD600 thousand) and certain investment properties and a guarantee issued by one of the Group's indirect subsidiaries.

c) Cash and cash equivalents amounting to KD Nil (31 December 2024: KD1,000 thousand and 31 March 2024: KD27 thousand) are pledged against borrowings (Note 11).

Notes to the interim condensed consolidated financial information (continued)

7 Financial assets at fair value through profit or loss

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Quoted securities	**292,935**	277,009	277,378
Unquoted securities	**44,334**	42,665	32,965
Managed portfolios and funds	**97,966**	100,597	98,281
	435,235	420,271	408,624

a) Quoted securities and managed funds with an aggregate carrying value of KD116,758 thousand (31 December 2024: KD119,357 thousand and 31 March 2024: KD100,709 thousand) are pledged against borrowings (Note 11).

b) The Group has signed agreements whereby certain shares of financial assets at fair value through profit or loss with aggregate carrying value of KD139,993 thousand (31 December 2024: KD133,674 thousand and 31 March 2024: KD148,385 thousand) have been kept in custody portfolios against borrowings (Note 11).

8 Financial assets at fair value through other comprehensive income

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Quoted securities	**29,943**	32,176	34,839
Unquoted securities	**93,702**	97,945	97,658
Managed portfolios and funds	**16,064**	15,952	20,335
Debt securities	**421**	409	9,481
	140,130	146,482	162,313

a) During the prior year, the board of directors of the Parent Company in their meeting held on 13 October 2024 approved a non-binding offer submitted to Foulath Holding Co.- BSC (Bahrain) ("Foulath") regarding the acquisition of 100% of the shares of the Foulath which is conditional upon the completion of due diligence after which a binding offer will be made with a final price. Currently, the Parent Company owns 10% shareholding in Foulath with a carrying value of KD60,842 thousand and is classified as financial assets at fair value through other comprehensive income in the Group's interim condensed consolidated financial information.

b) Quoted securities with an aggregate carrying value of KD15,576 thousand (31 December 2024: KD17,767 thousand and 31 March 2024: KD27,593 thousand) and unquoted securities with an aggregate carrying value of Nil (31 December 2024: Nil and 31 March 2024: KD510 thousand) are pledged against borrowings (Note 11).

c) The Group has signed agreements whereby certain shares of financial assets at fair value through other comprehensive income with aggregate carrying value of Nil (31 December 2024: Nil and 31 March 2024: KD2,649 thousand) have been kept in custody portfolios against borrowings (Note 11).

Notes to the interim condensed consolidated financial information (continued)

9 Investment properties

The movement in properties during the period/year is as follows:

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Balance at 1 January	**69,171**	57,763	57,763
Additions during the period/year	**392**	23,844	4,449
Disposals	**-**	(11,812)	-
Change in fair value	**-**	(630)	-
Foreign currency translation adjustment	**20**	6	(8)
Balance at the end of the period/year	**69,583**	69,171	62,204

Investment properties with a carrying value of KD37,050 thousand (31 December 2024: KD35,301 thousand and 31 March 2024: KD29,359 thousand) are pledged against borrowings (Note 11).

10 Investment in associates

The movement in associates during the period/year is as follows:

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Balance at 1 January	**431,792**	376,071	376,071
Additions during the period/year	**670**	1,138	-
Share of results	**12,254**	70,347	12,238
Share of other comprehensive (loss)/income	**(2,562)**	9,106	(773)
Dividend distributions	**(4,441)**	(22,086)	(8,293)
Impairment losses	**-**	(4,081)	-
Foreign currency translation adjustment	**(511)**	1,123	1,047
Other adjustments	**(5)**	174	63
Balance at the end of the period/year	**437,197**	431,792	380,353

a) Investment in associates with a carrying value of Nil (31 December 2024: Nil and 31 March 2024: KD1,913 thousand) are pledged against borrowings (Note 11).

b) The Group has signed agreements whereby certain shares of investment in associates with aggregate carrying value of KD295,109 thousand (31 December 2024: KD291,916 thousand and 31 March 2024: KD260,746 thousand) have been kept in custody portfolios with specialized institutions against borrowings (Note 11).

Notes to the interim condensed consolidated financial information (continued)

11 Borrowings

	Interest rate range	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Short term:				
Term loans	**3.7% - 7.89%**	**225,168**	193,170	184,529
Islamic financing arrangements	**5% - 6.5%**	**83,139**	83,220	60,997
		308,307	276,390	245,526
Long term:				
Term loans	**2.1% - 10.25%**			
- Current portion		**21,442**	22,022	4,528
- Due after more than one year		**110,771**	113,898	142,542
Islamic financing arrangements	**1.7% - 10.06%**			
- Current portion		**24,120**	39,999	34,107
- Due after more than one year		**242,977**	212,462	226,243
		399,310	388,381	407,420
		707,617	664,771	652,946

a) Borrowings include outstanding amounts of KD6,736 thousand obtained by one of Group's subsidiaries from local banks which are in the process of renewal as of 31 March 2025.

b) The Group's borrowings are secured against certain assets pledged or held in custody including cash and cash equivalents, financial assets at fair value through profit and loss, financial assets at fair value through other comprehensive income, investment properties, property plant and equipment, investment in subsidiaries, and shares of investment in associates.

12 Bonds

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Short term (a):			
Floating rate bonds	-	7,600	7,600
Fixed rate bonds	-	22,400	22,400
	-	30,000	30,000
Long term (b):			
Floating rate bonds	**34,450**	34,450	34,450
Fixed rate bonds	**3,650**	3,650	3,650
	38,100	38,100	38,100
	38,100	68,100	68,100

a) The Group settled bonds of KD30,000 thousand during the period on due date.
b) These bonds are due to mature on 8 September 2027.

The bonds are unsecured.

Notes to the interim condensed consolidated financial information (continued)

13 Share capital and share premium

	Authorised	Issued	Paid up
31 March 2025 (Shares)	**3,000,000,000**	**2,409,942,649**	**2,409,942,649**
31 March 2025 (KD '000)	**300,000**	**240,994**	**240,994**
31 December 2024 (Shares)	3,000,000,000	2,409,942,649	2,409,942,649
31 December 2024 (KD '000)	300,000	240,994	240,994
31 March 2024 (Shares)	3,000,000,000	2,295,183,476	2,295,183,476
31 March 2024 (KD '000)	300,000	229,518	229,518

Share premium is not available for distribution.

14 Treasury shares

	31 March 2025 (Unaudited)	31 Dec. 2024 (Audited)	31 March 2024 (Unaudited)
Number of shares	**38,584,622**	38,584,622	36,747,261
Percentage of issued shares	**1.60%**	1.60%	1.60%
Market value (KD '000)	**9,993**	9,569	8,048
Cost (KD'000)	**23,975**	23,975	23,975

a) Reserves of the Parent Company equivalent to the cost of the treasury shares have been earmarked as non-distributable.

b) As at 31 March 2025, an associate held 10% (31 December 2024: 10% and 31 March 2024: 10%) of the Parent Company's shares.

15 Other components of equity

	Cumulative changes in fair value KD '000	Treasury shares reserve KD '000	Foreign currency translation reserve KD '000	Total KD '000
Balances as at 1 January 2025	**8,915**	**15,915**	**(26,555)**	**(1,725)**
Consolidation and other adjustments	**216**	**-**	**-**	**216**
Share of other comprehensive (loss)/income of associates	**(1,242)**	**-**	**462**	**(780)**
Change in fair value of financial assets at FVTOCI	**(4,261)**	**-**	**-**	**(4,261)**
Foreign currency translation differences	**-**	**-**	**(759)**	**(759)**
Other comprehensive loss	**(5,503)**	**-**	**(297)**	**(5,800)**
Gain on sale of investments at FVTOCI	**(279)**	**-**	**-**	**(279)**
Balances as at 31 March 2025	**3,349**	**15,915**	**(26,852)**	**(7,588)**

Notes to the interim condensed consolidated financial information (continued)

15 Other components of equity (continued)

	Cumulative changes in fair value KD '000	Treasury shares reserve KD '000	Foreign currency translation reserve KD '000	Total KD '000
Balances at 1 January 2024	7,675	15,915	(28,435)	(4,845)
Consolidation and other adjustments	465	-	-	465
Share of other comprehensive loss of associates	(458)	-	-	(458)
Change in fair value of financial assets at FVTOCI	(1,962)	-	-	(1,962)
Foreign currency translation differences	-	-	670	670
Other comprehensive (loss)/income	(2,420)	-	670	(1,750)
Loss on sale of investments at FVTOCI	865	-	-	865
Balances at 31 March 2024	6,585	15,915	(27,765)	(5,265)

16 Annual general assembly and dividend

The Annual General Assembly of the shareholders of the Parent Company held on 24 April 2025 approved the consolidated financial statements for the year ended 31 December 2024 and the board of directors' proposal to distribute cash dividend of 10% equivalent to KD24,099 thousand (2024: cash dividend of 5%), and to issue 5% bonus shares (2024: 5% bonus shares), and an amount of KD630 thousand as remuneration to the Board of Directors for the year ended 31 December 2024.

Notes to the interim condensed consolidated financial information (continued)

17 Segmental analysis

The Group's activities are concentrated in four main segments: investment, building material and contracting services, specialist engineering and hotel and IT operations. The segments' results are reported to the higher management of the Group.

The Group's format for reporting segment information is business segments; which conforms to the internal reporting presented to management:

	Investment		Building materials and contracting services		Specialist engineering and chemical		Hotel and IT services		Total	
Three-month ended:	**31 March 2025 KD '000**	31 March 2024 KD '000	**31 March 2025 KD '000**	31 March 2024 KD '000	**31 March 2025 KD '000**	31 March 2024 KD '000	**31 March 2025 KD '000**	31 March 2024 KD '000	**31 March 2025 KD '000**	31 March 2024 KD '000
Segment revenue	**35,986**	48,793	**12,413**	12,951	**22,567**	24,180	**3,680**	3,306	**74,646**	89,230
Less:										
Gain from financial assets at fair value through profit or loss									**(18,149)**	(19,851)
Dividend income									**(664)**	(10,039)
Interest income									**(2,934)**	(3,357)
Share of results of associates									**(12,254)**	(12,238)
Rental income									**(811)**	(714)
Other income									**(1,174)**	(2,594)
Revenue from sales and contract with customers, per consolidated statement of profit or loss									**38,660**	40,437
Segment profit	**31,050**	40,659	**380**	2,314	**(391)**	4,120	**128**	313	**31,167**	47,406
Less:										
Finance costs									**(10,341)**	(11,209)
Other unallocated income									**164**	218
Profit before taxation									**20,990**	36,415

Notes to the interim condensed consolidated financial information (continued)

17 Segmental analysis (continued)

	Investment KD '000	Building materials and contracting services KD '000	Specialist engineering and chemical KD '000	Hotel and IT services KD '000	Total KD '000
31 March 2025:					
Segment assets	**1,336,614**	**36,879**	**232,905**	**12,827**	**1,619,225**
Segment liabilities	**(39,293)**	**(16,332)**	**(56,458)**	**(6,344)**	**(118,427)**
Segment net assets	**1,297,321**	**20,547**	**176,447**	**6,483**	**1,500,798**
Borrowings, bonds and due to banks					**(758,601)**
Total equity, per consolidated statement of financial position					**742,197**
31 December 2024:					
Segment assets	1,302,105	48,031	236,845	12,234	1,599,215
Segment liabilities	(35,665)	(21,107)	(49,865)	(5,138)	(111,775)
Segment net assets	1,266,440	26,924	186,980	7,096	1,487,440
Borrowings, bonds and due to banks					(749,317)
Total equity, per consolidated statement of financial position					738,123
31 March 2024:					
Segment assets	1,258,718	42,029	239,440	12,317	1,552,504
Segment liabilities	(32,881)	(21,089)	(62,907)	(5,205)	(122,082)
Segment net assets	1,225,837	20,940	176,533	7,112	1,430,422
Borrowings, bonds and due to banks					(731,693)
Total equity, per consolidated statement of financial position					698,729

Notes to the interim condensed consolidated financial information (continued)

18 Related party balances and transactions

Related parties represent associates, directors and key management personnel of the Group, and other related parties such as major shareholders and companies in which directors and key management personnel of the Group 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 Group's management.

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

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Balances included in the interim condensed consolidated statement of financial position			
Due from related parties (included in accounts receivable and other assets)			
- Due from associates	**23,702**	19,900	29,785
- Due from other related parties	**3,056**	4,028	1,547
Due to related parties (included in accounts payable and other liabilities)			
- Due to associates	**20**	20	426
- Due to other related parties	**1,208**	1,468	409

	Three months ended 31 March 2025 (Unaudited) KD '000	Three months ended 31 March 2024 (Unaudited) KD '000
Transactions included in the interim condensed consolidated statement of profit or loss		
Fees Income	**1**	1
Purchase of raw materials – from associates	**161**	177
Management fees payments	**16**	24
Impairment of accounts receivable	**33**	318
Compensation of key management personnel of the Group		
Short term employee benefits	**1,092**	913
Pension and end of service benefits	**187**	85
	1,279	998

Refer Note 20 and Note 21 for details of fiduciary assets and contingent liabilities and commitments held and issued on behalf of related parties.

19 Fair value measurement

19.1 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.

Notes to the interim condensed consolidated financial information (continued)

19 Fair value measurement (continued)

19.1 Fair value hierarchy (continued)

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).

19.2 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 may also be categorized as follows:

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Financial assets:			
At amortised cost:			
• Cash and cash equivalents	**198,897**	197,296	202,035
• Accounts receivable and other financial assets	**106,368**	109,842	111,609
• Financial assets at amortised cost	**10,818**	10,904	5,666
	316,083	318,042	319,310
At fair value:			
• Financial assets at FVTPL	**435,235**	420,271	408,624
• Financial assets at FVTOCI	**140,130**	146,482	162,313
	575,365	566,753	570,937
Total financial assets	**891,448**	884,795	890,247
Financial liabilities:			
At amortised cost:			
• Due to banks	**12,884**	16,446	10,647
• Accounts payable and other financial liabilities	**96,493**	92,287	91,593
• Borrowings	**707,617**	664,771	652,946
• Bonds	**38,100**	68,100	68,100
	855,094	841,604	823,286

Management considers that the carrying amounts of financial assets and financial liabilities, which are stated at amortised cost, approximate their fair values.

The level within which the 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)

19 Fair value measurement (continued)

19.2 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:

31 March 2025	Level 1	Level 2	Level 3	Total
	KD'000	KD'000	KD'000	KD'000
Financial assets:				
- Quoted securities	322,878	-	-	322,878
- Unquoted securities	-	18,171	119,865	138,036
- Managed portfolios and funds	702	4,095	109,233	114,030
- Debt securities	-	421	-	421
	323,580	22,687	229,098	575,365
At FVTPL	293,637	9,920	131,678	435,235
At FVTOCI	29,943	12,767	97,420	140,130
	323,580	22,687	229,098	575,365
31 December 2024				
Financial assets:				
- Quoted securities	309,185	-	-	309,185
- Unquoted securities	-	23,118	117,492	140,610
- Managed portfolios and funds	628	4,418	111,503	116,549
- Debt securities	-	409	-	409
	309,813	27,945	228,995	566,753
At FVTPL	277,637	10,554	132,080	420,271
At FVTOCI	32,176	17,391	96,915	146,482
	309,813	27,945	228,995	566,753
31 March 2024				
Financial assets:				
- Quoted securities	312,217	-	-	312,217
- Unquoted securities	-	13,338	117,285	130,623
- Managed portfolios and funds	582	4,884	113,150	118,616
- Debt securities	-	9,481	-	9,481
	312,799	27,703	230,435	570,937
At FVTPL	277,960	4,826	125,838	408,624
At FVTOCI	34,839	22,877	104,597	162,313
	312,799	27,703	230,435	570,937

Measurement at fair value

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

The methods and valuation techniques used for the purpose of measuring fair values, are unchanged compared to the previous reporting period/year.

Notes to the interim condensed consolidated financial information (continued)

19 Fair value measurement (continued)

19.2 Fair value measurement of financial instruments (continued)

a) Quoted securities

Quoted securities represent all listed equity securities which are publicly traded in stock exchanges. Where quoted prices in an active market are available, the fair value of such investments have been determined by reference to their quoted bid prices at the reporting date (Level 1).

b) Unquoted securities (Level 2 and 3)

The consolidated financial statements include investments in unlisted securities which are measured at fair value. Fair value is estimated using discounted cash flow model or observable market prices or other valuation techniques which include some assumptions that are not supportable by observable market prices or rates.

c) Managed portfolios and funds

Private equity funds (Level 3)

The underlying investments in these private equity funds mainly represent foreign quoted and unquoted securities. Information for these investments is limited to periodic financial reports provided by the investment managers. These investments are carried at net asset values reported by the investment managers. Due to the nature of these investments, the net asset values reported by the investment managers represent the best estimate of fair values available for these investments.

Other managed portfolios and funds (Level 2 and 3)

The underlying investments of international managed portfolios and funds represent quoted and unquoted securities. They are valued based on periodic reports received from the portfolio/fund managers.

d) Debt securities

The consolidation financial statements include holding in unlisted debt securities which are measured at fair value. Fair value of such investments have been determined by reference to their observable prices, other than quoted, at the reporting date.

Measurement at fair value

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

	31 March 2025 (Unaudited) KD '000	31 Dec. 2024 (Audited) KD '000	31 March 2024 (Unaudited) KD '000
Opening balance	**228,995**	226,512	226,512
Net change in fair value	**3,524**	7,149	3,692
Transferred out of level 3	**-**	(870)	-
Net additions during the period/year	**(3,421)**	(3,796)	231
Closing balance	**229,098**	228,995	230,435

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.

Notes to the interim condensed consolidated financial information (continued)-

20 Fiduciary assets

One of the subsidiaries of the Group manages mutual funds, portfolios on behalf of related and third parties, and maintains securities in fiduciary accounts which are not reflected in the interim condensed consolidated statement of financial position. Assets under management at 31 March 2025 amounted to KD4,560 thousand (31 December 2024: KD1,945 thousand and 31 March 2024: KD2,976 thousand) of which assets managed on behalf of the related parties amounted to KD4,528 thousand (31 December 2024: KD1,906 thousand and 31 March 2024: KD2,937 thousand).

21 Contingent liabilities and commitments

At 31 March 2025, the Group had contingent liabilities in respect of outstanding bank guarantees amounting to KD58,545 thousand (31 December 2024: KD57,963 thousand and 31 March 2024: KD46,872 thousand).

At the reporting date, the Group had commitments for the purchase of investments, the acquisition of property, plant and equipment and investment properties and the incorporation of investment in associates totalling KD27,167 thousand (31 December 2024: KD27,484 thousand and 31 March 2024: KD18,493 thousand).

22 Legal cases

The significant legal cases of the Group are summarised below:

a) One of the Group's subsidiaries has filed legal cases against one of its customers regarding gross trade receivables of KD112,246 thousand. These receivables are recorded in the Group's consolidated financials at their acquisition fair values.

During prior period, the court of First Instance ruled in favor of the subsidiary in one of the cases; however, the ruling has been appealed. The subsidiary's management, in consultation with its legal advisors, remains confident that a favourable verdict is probable and that the full balance along with additional compensation will be recovered.

The litigations are at its initial stages and the final outcome cannot be determined at present.

b) During the previous years, the General Manager of the Public Authority for Industry in Kuwait, in his official capacity, initiated legal proceedings against one of the Group's subsidiaries, seeking eviction from a non-contracted plot of land. The claim also demanded a payment of KD20,038 thousand for the subsidiary usage of the land since 1 April 2007, along with any associated fees and expenses.

The case is in its early stages and has been referred to the Experts Committee for further review. The next court hearing is scheduled for 12 June 2025.

After consulting with an external legal counsel, the subsidiary's management believes that it is not liable for any financial obligations related to the land as no contractual agreements exist between the subsidiary and the government entity. The subsidiary's management intends to strongly defend its position and, based on their consultation with their external legal counsel, remains confident that the claim can be successfully contested.

Certain details required in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, are not disclosed to prevent any potential prejudice to the litigation's outcome.

Notes to the interim condensed consolidated financial information (continued)

23 Comparative information

Certain other comparative figures have been reclassified to conform to the presentation in the current period, and such reclassification does not affect previously reported net assets, net equity and net results for the period or net decrease in cash and cash equivalents.

24 Events after the reporting date

No significant events have occurred that would require disclosure or adjustment in the interim condensed consolidated financial information from the reporting date up to the date this interim condensed consolidated financial information was authorized for issue.

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