

**UNITED PROJECTS COMPANY FOR
AVIATION SERVICES K.S.C.P. AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

31 MARCH 2023





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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF UNITED PROJECTS COMPANY FOR AVIATION SERVICES K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of United Project Company For Aviation Services K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2023, and the related interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of cash flows and the interim condensed consolidated statement of changes in equity for the three months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34: Interim Financial Reporting (“IAS 34”). 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, it 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 IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, during the three months period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three months period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

WALEED A. AL-OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

15 May 2023
Kuwait

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 31 March 2023

	<i>Notes</i>	<i>Three months ended</i>	
		<i>31 March</i>	
		2023	2022
		KD	KD
Revenues		2,595,778	2,274,539
Operating costs		(311,027)	(293,190)
GROSS PROFIT		2,284,751	1,981,349
General and administrative expenses		(356,912)	(360,550)
Salaries and employee benefits		(297,896)	(292,190)
Share of results of an associate		(511,196)	(34,171)
Other income		3,792	40,615
Profit before interest, taxation, depreciation and amortization (“EBITDA”)		1,122,539	1,335,053
Depreciation		(6,245)	(7,155)
Amortisation		(459,234)	(492,082)
Profit before interest and taxation (“EBIT”)		657,060	835,816
Interest income		18,000	7,501
Finance cost		(17,935)	(476,862)
Profit before taxation		657,125	366,455
Taxation	9	(28,257)	(14,057)
PROFIT FOR THE PERIOD		628,868	352,398
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	1.55 Fils	0.89 Fils
Attributable to:			
Equity holders of the Parent Company		586,945	334,914
Non-controlling interests		41,923	17,484
		628,868	352,398

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)**
For the period ended 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
	KD	KD
Profit for the period	628,868	352,398
Other comprehensive income:		
<i>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Foreign currency translation adjustment	3,808	33,812
Share of other comprehensive (loss) income of associate	(55,252)	109,933
Other comprehensive (loss) income for the period	(51,444)	143,745
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	577,424	496,143
Attributable to:		
Equity holders of the Parent Company	535,501	478,659
Non-controlling interests	41,923	17,484
	577,424	496,143

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2023

		31 March 2023 KD	(Audited) 31 December 2022 KD	31 March 2022 KD
ASSETS				
Non-current assets				
Property and equipment		3,457	9,362	24,305
Intangible assets	4	860,211	1,319,445	2,675,234
Investment in an associate		3,118,019	3,680,659	5,007,253
Loan to an associate	5, 12	194,839,134	181,485,131	158,876,481
		<u>198,820,821</u>	<u>186,494,597</u>	<u>166,583,273</u>
Current assets				
Accounts receivable and other assets		2,502,596	2,655,618	2,420,281
Cash and cash equivalents		2,255,013	4,472,185	3,560,757
		<u>4,757,609</u>	<u>7,127,803</u>	<u>5,981,038</u>
TOTAL ASSETS		<u>203,578,430</u>	<u>193,622,400</u>	<u>172,564,311</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	7	38,250,000	38,250,000	38,250,000
Share premium		48,605,000	48,605,000	48,605,000
Statutory reserve		7,159,646	7,159,646	7,093,461
Treasury shares	6	(1,544,594)	(1,544,594)	(1,544,594)
Other reserve		83,771	139,023	(492,021)
Foreign currency translation reserve		34,921	31,113	12,199
Retained earnings		11,347,005	10,760,060	10,530,188
Equity attributable to holders of the Parent Company		<u>103,935,749</u>	<u>103,400,248</u>	<u>102,454,233</u>
Non-controlling interests		1,030,873	988,950	944,886
Total equity		<u>104,966,622</u>	<u>104,389,198</u>	<u>103,399,119</u>
Non-current liabilities				
Accounts payable and other liabilities	8	804,977	906,519	5,674,432
Employees' end of service benefits		761,014	747,167	670,955
		<u>1,565,991</u>	<u>1,653,686</u>	<u>6,345,387</u>
Current liabilities				
Loans and borrowings		-	-	32,275,179
Accounts payable and other liabilities	8	9,005,761	9,893,445	7,759,409
Loan from a related party	5	88,040,056	77,686,071	22,785,217
		<u>97,045,817</u>	<u>87,579,516</u>	<u>62,819,805</u>
Total liabilities		<u>98,611,808</u>	<u>89,233,202</u>	<u>69,165,192</u>
TOTAL EQUITY AND LIABILITIES		<u>203,578,430</u>	<u>193,622,400</u>	<u>172,564,311</u>

Tarek Ibrahim Mohammad Al Mousa
Chairman

Nadia Abdullah Mohammad Akil
CEO & Vice Chairperson

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 31 March 2023

	<i>Note</i>	<i>Three months ended</i>	
		<i>31 March</i>	
		2023	2022
		KD	KD
OPERATING ACTIVITIES			
Profit for the period before tax		657,125	366,455
<i>Adjustments for:</i>			
Depreciation		6,245	7,155
Amortisation		459,234	492,082
Provision for employees' end of service benefits		18,829	21,668
Interest income		(18,000)	(7,501)
Share of results of an associate		511,196	34,171
Provision for expected credit losses		-	(99,282)
Finance cost		17,935	476,862
		1,652,564	1,291,610
Working capital changes:			
Accounts receivable and other assets		152,935	63,531
Accounts payable and other liabilities		(992,481)	(289,400)
Cash flows from operations		813,018	1,065,741
Employees' end of service benefits paid		(4,982)	(3,026)
Taxes paid		(42,936)	-
Net cash flows from operating activities		765,100	1,062,715
INVESTING ACTIVITIES			
Purchase of property and equipment		(340)	(695)
Additions to loan to an associate	12	(13,354,003)	(6,398,832)
Interest income received		18,087	9,668
Net cash flows used in investing activities		(13,336,256)	(6,389,859)
FINANCING ACTIVITIES			
Loan from a related party		10,353,984	6,399,124
Repayment of loan and borrowings		-	(1,360,203)
Finance cost paid		-	(536,509)
Net cash flows from financing activities		10,353,984	4,502,412
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,217,172)	(824,732)
Cash and cash equivalents as at 1 January		4,472,185	4,385,489
CASH AND CASH EQUIVALENTS AS AT 31 March		2,255,013	3,560,757

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

United Projects Company for Aviation Services K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2023

	<i>Attributable to equity holders of the Parent Company</i>									<i>Total KD</i>
	<i>Share Capital KD</i>	<i>Share Premium KD</i>	<i>Statutory reserve KD</i>	<i>Treasury shares KD</i>	<i>Other reserve KD</i>	<i>Foreign currency translation Reserve KD</i>	<i>Retained earnings KD</i>	<i>Sub-total KD</i>	<i>Non- controlling interests KD</i>	
As at 1 January 2023	38,250,000	48,605,000	7,159,646	(1,544,594)	139,023	31,113	10,760,060	103,400,248	988,950	104,389,198
Profit for the period	-	-	-	-	-	-	586,945	586,945	41,923	628,868
Other comprehensive (loss) income for the period	-	-	-	-	(55,252)	3,808	-	(51,444)	-	(51,444)
Total comprehensive (loss) income for the period	-	-	-	-	(55,252)	3,808	586,945	535,501	41,923	577,424
As at 31 March 2023	38,250,000	48,605,000	7,159,646	(1,544,594)	83,771	34,921	11,347,005	103,935,749	1,030,873	104,966,622

	<i>Attributable to equity holders of the Parent Company</i>									<i>Total KD</i>
	<i>Share Capital KD</i>	<i>Share Premium KD</i>	<i>Statutory reserve KD</i>	<i>Treasury shares KD</i>	<i>Other reserve KD</i>	<i>Foreign currency translation Reserve KD</i>	<i>Retained earnings KD</i>	<i>Sub-total KD</i>	<i>Non- controlling interests KD</i>	
As at 1 January 2022	38,250,000	48,605,000	7,093,461	(1,544,594)	(601,954)	(21,613)	10,195,274	101,975,574	927,402	102,902,976
Profit for the period	-	-	-	-	-	-	334,914	334,914	17,484	352,398
Other comprehensive income for the period	-	-	-	-	109,933	33,812	-	143,745	-	143,745
Total comprehensive income for the period	-	-	-	-	109,933	33,812	334,914	478,659	17,484	496,143
As at 31 March 2022	38,250,000	48,605,000	7,093,461	(1,544,594)	(492,021)	12,199	10,530,188	102,454,233	944,886	103,399,119

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of United Projects Company for Aviation Services K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively the “Group”) for the period ended 31 March 2023 were authorised for issue by the Board of Directors on 14 May 2023.

The annual general assembly meeting (“AGM”) of the Parent Company for the year ended 31 December 2022 has not been held yet. Accordingly, the shareholders of the Parent Company have not yet approved the consolidated financial statements for the year ended 31 December 2022. The interim condensed consolidated financial information for the three months period ended 31 March 2023 do not include any adjustments, which might have been required.

The Parent Company was established as a Kuwaiti Shareholding Company on 4 December 2000 and its registered address is Kuwait International Airport, P.O. Box 27068, Safat 13131, Kuwait. The main objectives of the Parent Company are:

- ▶ Providing airplane ground and cleaning services and supply of water and other airplane supplies;
- ▶ Leasing out airplanes;
- ▶ Tourism, travel and cargo shipment services;
- ▶ Managing projects;
- ▶ Investing surplus funds in investment portfolios managed by specialised institutions;
- ▶ The right to participate with other firms, which operate in the same field or those, which would assist in achieving its objectives in Kuwait or abroad, and to purchase those firms or participate in their equity.
- ▶ Management and development of real estate activities including real estate consultancy services;
- ▶ General trading of construction materials, equipment and real estate;
- ▶ To own, lease and rent out land and real estate properties;
- ▶ Sharing in executing the infrastructure for the housing, trading and industrial projects and manage real estate facilities under BOT regulations.

The Parent Company is listed on Boursa Kuwait and is a subsidiary of PWC Aviation Services Company K.S.C. (Closed) (“Intermediate Parent Company”), which is a subsidiary of Agility Public Warehousing Company K.S.C.P. (“Ultimate Parent Company”), which is also listed on Boursa Kuwait.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with IFRS and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022. In the opinion of management, all adjustments considered necessary for a fair presentation have been included in the interim condensed consolidated financial information. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2023.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) and is also the functional currency of the Parent Company.

The consolidated financial statements provide comparative information in respect of the previous period. The Group reclassified certain amounts within the consolidated statement of financial position to conform with current period’s presentation. Such reclassifications do not have any effect on statement of income or equity and have been made to improve the quality of information presented.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.3 New standards, interpretations and amendments adopted by the Group

Several amendments apply for the first time in 2023, but do not have a material impact on the interim condensed consolidated financial information of the Group.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's interim condensed consolidated financial information.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had no impact on the Group's interim condensed consolidated financial information, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial information.

3 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	586,945	334,914
	<i>Shares</i>	<i>Shares</i>
Weighted average number of paid-up shares	382,500,000	382,500,000
Less: Weighted average number of treasury shares	(4,824,307)	(4,824,307)
Weighted average number of ordinary shares outstanding during the period	377,675,693	377,675,693
Basic and diluted earnings per share	1.55 Fils	0.89 Fils

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

4 INTANGIBLE ASSETS

Sheikh Saa'd Terminal

On 17 May 2020, the Group received an extension to operate the terminal for another six months from 28 June 2020 until 27 December 2020. On 24 January 2021, the Group received a proposal for another extension of the Contract until 27 June 2021 and has subsequently since received a further proposal for an additional extension until 27 March 2022 and on 10 February 2022, the group received another proposal with an extension until 27 June 2023. The Group is currently undergoing discussions with the DGCA with regards to scope, fees, and components to facilitate further extension.

Commercial complex of Kuwait International Airport

Included in intangible assets is an amount of KD 42,657 (31 December 2022: KD 256,615 and 31 March 2022: KD 876,576) that represents the carrying value of Build-Operate-Transfer (BOT) project for the construction of the car park and commercial complex of Kuwait International Airport. This was built on a leasehold land from the government of the State of Kuwait for 20 years which is due to expire in May 2023. The Group is currently undergoing advanced discussions with the DGCA to facilitate a further extension of the contract. The Group's management remains confident of further extension of the contract is likely and the final approval is a matter of finalizing various administrative formalities.

Kuwait Airways Terminal-4 Parking project

On 25 November 2018, the Group entered into a service concession arrangement with Directorate General of Civil Aviation of Kuwait (the "Grantor") to operate a pre-existing parking and related facilities at the new Kuwait Airways dedicated Terminal 4 ("Facilities").

Under the terms of the agreement, the Group will operate and make facilities available to the public for a period of five years, starting from 9 February 2019.

As at 31 March 2023, intangible assets include KD 817,554 (31 December 2022: KD 1,062,830 and 31 March 2022: KD 1,798,658) relating to this arrangement and liability of KD 3,732,157 (31 December 2022: KD 3,715,218 and 31 March 2022: KD 3,859,567) which represents the minimum fixed payments that will be paid by the Group to the Grantor over the term of the concession arrangement, discounted at a rate of 6%.

5 RELATED PARTY TRANSACTIONS AND BALANCES

These represents transactions with related parties, i.e. major shareholders, associate, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management.

Transactions and balances with related parties are as follows:

	<i>Ultimate Parent Company KD</i>	<i>Other related parties KD</i>	<i>Three months ended 31 March</i>	
			<i>2023 KD</i>	<i>2022 KD</i>
<i>Interim condensed consolidated statement of income:</i>				
Revenues	-	51,496	51,496	3,647
Operating costs	-	(272,462)	(272,462)	(196,625)
General and administrative expenses	-	(31,310)	(31,310)	(8,212)
Finance cost	(980)	-	(980)	(43,036)

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

5 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	<i>Ultimate Parent Company KD</i>	<i>Intermediate Parent Company KD</i>	<i>Other related parties KD</i>	<i>31 March 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>31 March 2022 KD</i>
<i>Interim condensed consolidated statement of financial position:</i>						
Loan to an associate ¹	-	-	194,839,134	194,839,134	181,485,131	158,876,481
Amounts due to related parties (Included in accounts payable and other liabilities)	(897,472)	-	(66,859)	(964,331)	(1,188,443)	(1,768,217)
Loan from a related party ²	-	(88,040,056)	-	(88,040,056)	(77,686,071)	(22,785,217)

Amounts due to related parties are interest free and are payable on demand. Other related parties include entities under common control, except for loan to an associate.

¹ Loan to an associate represents amounts advanced by a subsidiary of the Group towards the construction and development of a commercial mall in UAE ("Project"). This amount bears compounded annual interest rates as per the loan agreement and carries with it the option, at the sole discretion of the Parent Company, to be converted to equity in the Project on completion of construction subject to the Project achieving certain operational targets. The Group has contributed KD 6,580,301 (31 December 2022: KD 6,580,301 and 31 March 2022: KD 6,580,301 in the equity of the Project. The Ultimate Parent Company has also invested in the equity of this Project.

The Parent Company has suspended interest income for the period ended 31 March 2023 of KD 5,278,613 (31 December 2022: KD 14,340,580 and 31 March 2022: KD 2,656,893). The interest is suspended temporarily, and the Parent Company retains the right to reinstate it in the future.

² Loan from the Intermediate Parent Company carries no interest and is payable on demand. Subsequent to the reporting date, the loan agreement has been revised to allow for conversion to equity shares, subject to necessary approvals. Further, the Board of Directors have proposed the conversion of the loan to equity shares, to be allotted to the Intermediate Parent Company, by issuance of 440 million ordinary shares and increasing the issued shares to 822,500,000 shares. This proposal is subject to approval at the Annual General Assembly of the Shareholders and the regulatory authorities' approvals.

Compensation of key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The remuneration of key management personnel during the period was as follows:

	<i>Three months ended 31 March</i>	
	<i>2023 KD</i>	<i>2022 KD</i>
Short-term benefits	86,220	103,914
Employees' end of service benefits	6,497	6,205
	<u>92,717</u>	<u>110,119</u>

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

6 TREASURY SHARES

	31 March 2023	<i>(Audited)</i> 31 December 2022	31 March 2022
Number of treasury shares (shares)	4,824,307	4,824,307	4,824,307
Percentage of issued shares (%)	1%	1%	1%
Market value (KD)	873,200	984,159	1,350,806
Cost (KD)	1,544,594	1,544,594	1,544,594

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

7 SHARE CAPITAL

	31 March 2023 KD	<i>(Audited)</i> 31 December 2022 KD	31 March 2022 KD
Issued and paid up share capital of 382,500,000 shares of - 100 fils each (31 December 2022: 382,500,000 shares of 100 fils each and 31 March 2022: 382,500,000 shares of 100 fils each)	38,250,000	38,250,000	38,250,000

	31 March 2023 Shares	<i>(Audited)</i> 31 December 2022 Shares	31 March 2022 Shares
Authorised shares			
Ordinary shares of 100 fils each	1,132,500,000	1,132,500,000	1,132,500,000
Ordinary shares issued and fully paid	382,500,000	382,500,000	382,500,000

8 ACCOUNTS PAYABLE AND OTHER LIABILITIES

	31 March 2023 KD	<i>(Audited)</i> 31 December 2022 KD	31 March 2022 KD
Accounts payable	1,795,430	1,734,395	1,425,425
Amounts due to related parties (Note 5)	964,331	1,188,443	1,768,217
Accrued expenses	1,309,974	1,247,725	2,194,293
Contract liabilities	448,513	1,358,208	2,547,053
Provision for staff leave	121,746	116,000	133,091
Tenant refundable deposits	1,439,561	1,442,482	1,506,630
Other payables	3,731,183	3,712,711	3,859,132
	9,810,738	10,799,964	13,433,841

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

8 ACCOUNTS PAYABLE AND OTHER LIABILITIES (continued)

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Classified as:			
Non-current liabilities	804,977	906,519	5,674,432
Current liabilities	9,005,761	9,893,445	7,759,409
	<u>9,810,738</u>	<u>10,799,964</u>	<u>13,433,841</u>

9 TAXATION

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>
National labour support tax (“NLST”)	15,789	7,548
Contribution to Kuwait Foundation for the Advancement of Sciences (“KFAS”)	6,152	3,490
Zakat	6,316	3,019
	<u>28,257</u>	<u>14,057</u>

10 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised in two operating segments: i) Investments: consists of investing in the Project (Note 5) and surplus funds in investment portfolios. ii) Service operations: consists of managing projects and providing airplane ground and cleaning services and other service facilities.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

10 OPERATING SEGMENT INFORMATION (continued)

	<i>Investments</i>		<i>Services operations</i>		<i>Total</i>	
	<i>Three months ended</i>		<i>Three months ended</i>		<i>Three months ended</i>	
	<i>31 March</i>		<i>31 March</i>		<i>31 March</i>	
	2023	2022	2023	2022	2023	2022
	KD	KD	KD	KD	KD	KD
<i>Interim condensed consolidated statement of income:</i>						
Segment revenue	18,000	7,501	2,599,570	2,315,154	2,617,570	2,322,655
Segment (loss) profit	(494,193)	(472,066)	1,151,318	838,521	657,125	366,455
Unallocated expenses	-	-	-	-	(28,257)	(14,057)
Profit for the period	-	-	-	-	628,868	352,398
Other information:						
Share of results of associates	(511,196)	(34,171)	-	-	(511,196)	(34,171)
Depreciation and amortization	-	-	(465,479)	(499,237)	(465,479)	(499,237)

	<i>Investments</i>			<i>Services operations</i>			<i>Total</i>		
	<i>31 March</i>	<i>(Audited)</i>		<i>31 March</i>	<i>(Audited)</i>		<i>31 March</i>	<i>(Audited)</i>	
		<i>2023</i>	<i>31 December</i>		<i>31 March</i>	<i>2023</i>		<i>31 December</i>	<i>2022</i>
	KD	KD	KD	KD	KD	KD	KD	KD	KD
<i>Interim condensed consolidated statement of financial position:</i>									
Assets	198,457,154	188,097,937	165,889,585	5,121,276	5,524,463	6,674,726	203,578,430	193,622,400	172,564,311
Liabilities	88,040,056	77,686,071	55,060,396	10,571,752	11,547,131	14,104,796	98,611,808	89,233,202	69,165,192
Additions to property and equipment	-	-	-	340	2,090	695	340	2,090	695
Investment in an associate	3,118,019	3,680,659	5,007,253	-	-	-	3,118,019	3,680,659	5,007,253

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

11 CONTINGENCIES

As at 31 March 2023, the Group had contingent liabilities, amounting to KD 1,050,245 (31 December 2022: KD 1,050,245 and 31 March 2022: KD 850,245), in respect of bank guarantees arising in normal course of business from which it is anticipated that no material liabilities will arise.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of accounts receivables and other assets, cash and cash equivalents and loan to an associate. Financial liabilities consist of loans and borrowings, accounts payables and other liabilities excluding rent received in advance. Management assessed that the carrying value of financial instruments at amortised cost is not significantly different from their fair values as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in interest rates.

Loan to an associate is classified as Level 3.

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets which are recorded at fair value.

	31 March 2023 KD	<i>(Audited)</i> 31 December 2022 KD	31 March 2022 KD
At the beginning of the period / year	181,485,131	152,477,649	152,477,649
Additional contribution	13,354,003	29,007,482	6,398,832
At the end of the period / year	<u>194,839,134</u>	<u>181,485,131</u>	<u>158,876,481</u>

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