

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

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

31 MARCH 2024



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 2024, 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 2024 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 establishment of Capital Markets Authority “CMA” and organization of security activity and its executive regulations, as amended, during the three months period ended 31 March 2024 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 2024
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 2024

	<i>Notes</i>	<i>Three months ended</i>	
		<i>31 March</i>	
		2024	2023
		KD	KD
Revenues		2,236,880	2,595,778
Operating costs		(298,411)	(311,027)
GROSS PROFIT		1,938,469	2,284,751
General and administrative expenses		(461,194)	(356,912)
Salaries and employee benefits		(329,857)	(297,896)
Share of results of associate		(421,162)	(511,196)
Other income		3,230	3,792
Profit before interest, taxation, depreciation and amortisation (“EBITDA”)		729,486	1,122,539
Depreciation		(196)	(6,245)
Amortisation		(81,996)	(459,234)
Profit before interest and taxation (“EBIT”)		647,294	657,060
Interest income		56,033	18,000
Finance cost		(23,059)	(17,935)
Profit before taxation		680,268	657,125
Taxation	10	(31,412)	(28,257)
PROFIT FOR THE PERIOD		648,856	628,868
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	1.63 Fils	1.55 Fils
Attributable to:			
Equity holders of the Parent Company		616,888	586,945
Non-controlling interests		31,968	41,923
		648,856	628,868

The attached notes 1 to 13 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 2024

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
Profit for the period	648,856	628,868
Other comprehensive income:		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Foreign currency translation adjustment	4,132	3,808
Share of other comprehensive loss of associate	(16,514)	(55,252)
Other comprehensive loss for the period	(12,382)	(51,444)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	636,474	577,424
Attributable to:		
Equity holders of the Parent Company	604,506	535,501
Non-controlling interests	31,968	41,923
	636,474	577,424

The attached notes 1 to 13 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 2024

		31 March 2024 KD	(Audited) 31 December 2023 KD	31 March 2023 KD
ASSETS				
Non-current assets				
Property and equipment		3,458	603	3,457
Intangible assets	5	84	82,080	860,211
Investment in an associate		1,509,224	1,942,768	3,118,019
Loan to an associate	6, 13	222,132,556	215,232,121	194,839,134
		<u>223,645,322</u>	<u>217,257,572</u>	<u>198,820,821</u>
Current assets				
Accounts receivable and other assets		2,183,020	2,106,658	2,502,596
Cash and cash equivalents		7,499,973	6,715,364	2,255,013
		<u>9,682,993</u>	<u>8,822,022</u>	<u>4,757,609</u>
TOTAL ASSETS		<u><u>233,328,315</u></u>	<u><u>226,079,594</u></u>	<u><u>203,578,430</u></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		7,317,263	7,317,263	7,159,646
Treasury shares	8	(1,544,594)	(1,544,594)	(1,544,594)
Other reserve		17,466	33,980	83,771
Foreign currency translation reserve		51,771	47,639	34,921
Retained earnings		12,751,585	12,134,697	11,347,005
Equity attributable to holders of the Parent Company		<u>105,448,491</u>	<u>104,843,985</u>	<u>103,935,749</u>
Non-controlling interests		1,103,271	1,071,303	1,030,873
Total equity		<u>106,551,762</u>	<u>105,915,288</u>	<u>104,966,622</u>
Non-current liabilities				
Accounts payable and other liabilities	9	817,571	808,002	804,977
Employees' end of service benefits		880,412	859,367	761,014
		<u>1,697,983</u>	<u>1,667,369</u>	<u>1,565,991</u>
Current liabilities				
Accounts payable and other liabilities	9	6,672,064	6,990,866	9,005,761
Loan from a related party	6	118,406,506	111,506,071	88,040,056
		<u>125,078,570</u>	<u>118,496,937</u>	<u>97,045,817</u>
Total liabilities		<u>126,776,553</u>	<u>120,164,306</u>	<u>98,611,808</u>
TOTAL EQUITY AND LIABILITIES		<u><u>233,328,315</u></u>	<u><u>226,079,594</u></u>	<u><u>203,578,430</u></u>

Tarek Ibrahim Mohammad Al Mousa
Chairman



Nadia Abdullah Mohammad Akil
CEO & Vice Chairperson

The attached notes 1 to 13 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 2024

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES		
Profit for the period before tax	680,268	657,125
<i>Adjustments for:</i>		
Depreciation	196	6,245
Amortisation	81,996	459,234
Provision for employees' end of service benefits	21,088	18,829
Interest income	(56,033)	(18,000)
Share of results of an associate	421,162	511,196
Allowances for expected credit losses, net	40,843	-
Finance cost	23,059	17,935
	1,212,579	1,652,564
<i>Working capital changes:</i>		
Accounts receivable and other assets	(107,891)	152,935
Accounts payable and other liabilities	(330,388)	(992,481)
Cash flows from operations	774,300	813,018
Employees' end of service benefits paid	(43)	(4,982)
Taxes paid	(33,316)	(42,936)
Net cash flows from operating activities	740,941	765,100
INVESTING ACTIVITIES		
Purchase of property and equipment	(3,051)	(340)
Additions to loan to an associate	(6,900,435)	(13,354,003)
Interest income received	46,719	18,087
Net cash flows used in investing activities	(6,856,767)	(13,336,256)
FINANCING ACTIVITIES		
Loan from a related party	6,900,435	10,353,984
Net cash flows from financing activities	6,900,435	10,353,984
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	784,609	(2,217,172)
Cash and cash equivalents as at 1 January	6,715,364	4,472,185
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	7,499,973	2,255,013

The attached notes 1 to 13 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 2024

	<i>Attributable to equity holders of the Parent Company</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>	<i>Total KD</i>
As at 1 January 2024	38,250,000	48,605,000	7,317,263	(1,544,594)	33,980	47,639	12,134,697	104,843,985	1,071,303	105,915,288
Profit for the period	-	-	-	-	-	-	616,888	616,888	31,968	648,856
Other comprehensive (loss) income for the period	-	-	-	-	(16,514)	4,132	-	(12,382)	-	(12,382)
Total comprehensive (loss) income for the period	-	-	-	-	(16,514)	4,132	616,888	604,506	31,968	636,474
As at 31 March 2024	38,250,000	48,605,000	7,317,263	(1,544,594)	17,466	51,771	12,751,585	105,448,491	1,103,271	106,551,762
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

The attached notes 1 to 13 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 2024

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 2024 were authorised for issue by the Board of Directors on 15 May 2024.

The annual general assembly meeting (“AGM”) of the Parent Company for the year ended 31 December 2023 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 2023. The interim condensed consolidated financial information for the three months period ended 31 March 2024 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

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 2023. 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 2024.

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

3 CHANGES TO THE GROUP’S 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 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have a material impact on the interim condensed consolidated financial information of the Group.

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 2024

3 CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's interim condensed consolidated financial information.

4 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the 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>	
	2024	2023
	KD	KD
Profit for the period attributable to equity holders of the Parent Company	616,888	586,945
	<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	1.63 Fils	1.55 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 2024

5 INTANGIBLE ASSETS

Sheikh Saa'd Terminal

On 10 February 2022, the Group received a proposal with an extension until 27 June 2023, followed by another proposal received on 18 June 2023 to extend the contract until 27 December 2023. On November 30, 2023, the contract was further extended until 14 May 2024. Currently, the management is in process of securing the approval for further extension until 14 May 2025.

Commercial complex of Kuwait International Airport

Included in intangible assets is an amount of KD 84 (31 December 2023: KD 337 and 31 March 2023: KD 42,657) 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 expired in May 2023. On 27 March 2024, the Group has signed the contract extension of the project with Directorate General of Civil Aviation of Kuwait ("DGCA") until 17 May 2024. On 01 May 2024, the Group received a letter from DGCA to continue operating the contract until 18 May 2025. DGCA is in the process of obtaining relevant approvals to formalize the extension. The Group's management remains confident that 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 of 8 February 2024, the contract period of 5 years has been completed and the Parent Company has handed over the project to the Grantor.

As at 31 March 2024, intangible assets include KD Nil (31 December 2023: KD 81,743 and 31 March 2023: KD 817,554) relating to this arrangement and liability of KD 1,515,430 (31 December 2023: KD 2,153,289 and 31 March 2023: KD 3,732,157) 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%. Lease liabilities for the period from August 2020 to June 2022 have not been settled as the Parent Company is in discussions with DGCA, to be granted a waiver of rent, as the operations were impacted by the pandemic.

6 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>2024 KD</i>	<i>2023 KD</i>
<i>Interim condensed consolidated statement of income:</i>				
Revenues	-	29,696	29,696	51,496
Operating costs	-	(233,518)	(233,518)	(272,462)
General and administrative expenses	-	(30,068)	(30,068)	(31,310)
Finance cost	(9,569)	-	(9,569)	(980)

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 2024

6 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 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>31 March 2023 KD</i>
<i>Interim condensed consolidated statement of financial position:</i>						
Loan to an associate ¹	-	-	222,132,556	222,132,556	215,232,121	194,839,134
Amounts due from a related party	-	-	116,075	116,075	87,697	-
Amounts due to related parties (Included in accounts payable and other liabilities)	(834,926)	-	(198,236)	(1,033,162)	(980,566)	(964,331)
Loan from a related party ²	-	(118,406,506)	-	(118,406,506)	(111,506,071)	(88,040,056)

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 2023: KD 6,580,301 and 31 March 2023: 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 2024 of KD 6,759,285 (31 December 2023: KD 24,043,118 and 31 March 2023: KD 5,278,613). 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. On 13 June 2023, the Parent company and Intermediate Parent Company signed a convertible loan agreement (‘agreement’) amounting to KD 125 million. The utilized portion of the loan as at 31 March 2024 amounts to KD 118 million and the unutilized portion of the loan amounting to KD 7 million. The agreement grants the Intermediate Parent Company an option to convert the debt into new ordinary shares in the Parent Company in accordance with the terms of the agreement. The completion and execution of the conversion option of the existing debt, once exercised, will be subject to the approval of the relevant regulatory authorities and to the approval of Extra-ordinary General Meeting (‘EGM’) of the shareholders of the Parent Company. The Group is currently assessing its options to process the conversion, including calling for a share capital increase.

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 2024

6 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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</i>	
	<i>31 March</i>	
	2024	2023
	KD	KD
Short-term benefits	100,215	86,220
Employees' end of service benefits	7,728	6,497
	107,943	92,717

7 SHARE CAPITAL

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Issued and paid up share capital of 382,500,000 shares of 100 fils each (31 December 2023: 382,500,000 shares of 100 fils each and 31 March 2023: 382,500,000 shares of 100 fils each)	38,250,000	38,250,000	38,250,000

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
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 TREASURY SHARES

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
Number of treasury shares (shares)	4,824,307	4,824,307	4,824,307
Percentage of issued shares (%)	1%	1%	1%
Market value (KD)	824,956	863,551	873,200
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.

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 2024

9 ACCOUNTS PAYABLE AND OTHER LIABILITIES

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Accounts payable	551,235	731,612	1,795,430
Amounts due to related parties (Note 6)	1,033,162	980,566	964,331
Accrued expenses	1,897,373	1,622,037	1,309,974
Contract liabilities	468,124	810,635	448,513
Provision for staff leave	134,453	122,914	121,746
Tenant refundable deposits	1,356,509	1,379,207	1,439,561
Other payables	2,048,779	2,151,897	3,731,183
	<u>7,489,635</u>	<u>7,798,868</u>	<u>9,810,738</u>

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Classified as:			
Non-current liabilities	817,571	808,002	804,977
Current liabilities	6,672,064	6,990,866	9,005,761
	<u>7,489,635</u>	<u>7,798,868</u>	<u>9,810,738</u>

10 TAXATION

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
National labour support tax ("NLST")	17,806	15,789
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	6,483	6,152
Zakat	7,123	6,316
	<u>31,412</u>	<u>28,257</u>

11 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised in two operating segments: i) Investments: consists of investing in the Project (Note 6) 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 2024

11 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>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Interim condensed consolidated statement of income:</i>						
Segment revenue	56,033	18,000	2,240,110	2,599,570	2,296,143	2,617,570
Segment (loss) profit	(374,888)	(494,193)	1,055,156	1,151,318	680,268	657,125
Unallocated expenses	-	-	-	-	(31,412)	(28,257)
Profit for the period	-	-	-	-	648,856	628,868
Other information:						
Share of results of associates	(421,162)	(511,196)	-	-	(421,162)	(511,196)
Depreciation and amortization	-	-	(82,192)	(465,479)	(82,192)	(465,479)

	<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>2024</i>	<i>31 December</i>		<i>31 March</i>	<i>2023</i>		<i>31 December</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Interim condensed consolidated statement of financial position:</i>									
Assets	229,451,687	219,191,551	198,457,154	3,876,628	6,888,043	5,121,276	233,328,315	226,079,594	203,578,430
Liabilities	118,406,506	111,506,071	88,040,056	8,370,047	8,658,235	10,571,752	126,776,553	120,164,306	98,611,808
Additions to Intangible assets	-	-	-	-	590	-	-	590	-
Additions to property and equipment	-	-	-	3,051	1,121	340	3,051	1,121	340
Investment in an associate	1,509,224	1,942,768	3,118,019	-	-	-	1,509,224	1,942,768	3,118,019

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 2024

12 CONTINGENCIES

As at 31 March 2024, the Group had contingent liabilities, amounting to KD 524,576 (31 December 2023: KD 528,076 and 31 March 2023: KD 1,050,245), in respect of bank guarantees arising in normal course of business from which it is anticipated that no material liabilities will arise.

13 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.

	<i>31 March</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>31 March</i> <i>2023</i> <i>KD</i>
At the beginning of the period / year	215,232,121	181,485,131	181,485,131
Additional contribution	6,900,435	36,820,019	13,354,003
Fair valuation decrease on loan to an associate	-	(3,073,029)	-
At the end of the period / year	<u>222,132,556</u>	<u>215,232,121</u>	<u>194,839,134</u>