

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

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

31 MARCH 2025



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 2025, 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. The 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.

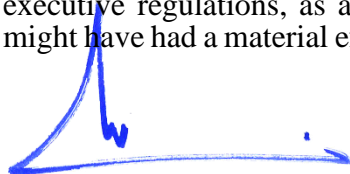
Conclusion

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 2025 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 2025 that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

15 May 2025
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 2025

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		2025 KD	2024 KD
Revenues		1,999,431	2,236,880
Operating costs		(216,225)	(298,411)
GROSS PROFIT		1,783,206	1,938,469
General and administrative expenses		(347,371)	(461,194)
Salaries and employee benefits		(339,338)	(329,857)
Share of results of associates		-	(421,162)
Other income		33,200	3,230
Profit before interest, taxation, depreciation and amortisation ("EBITDA")		1,129,697	729,486
Depreciation		(970)	(196)
Amortisation		(409,540)	(81,996)
Profit before interest and taxation ("EBIT")		719,187	647,294
Interest income		78,185	56,033
Finance cost		(313,096)	(23,059)
Profit before taxation		484,276	680,268
Taxation	10	(4,552)	(31,412)
PROFIT FOR THE PERIOD		479,724	648,856
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	1.19 Fils	1.63 Fils
Attributable to:			
Equity holders of the Parent Company		447,598	616,888
Non-controlling interests		32,126	31,968
		479,724	648,856

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 2025

	<i>Three months ended 31 March</i>	
	2025	2024
	KD	KD
Profit for the period	479,724	648,856
Other comprehensive income:		
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>		
Foreign currency translation adjustment	-	4,132
Share of other comprehensive loss of associate	-	(16,514)
Other comprehensive loss for the period	-	(12,382)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	479,724	636,474
Attributable to:		
Equity holders of the Parent Company	447,598	604,506
Non-controlling interests	32,126	31,968
	479,724	636,474

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 2025

		31 March 2025 KD	(Audited) 31 December 2024 KD	31 March 2024 KD
ASSETS	<i>Notes</i>			
Non-current assets				
Property and equipment		131,290	112,564	3,458
Intangible assets	5	23,012,415	22,650,155	84
Investment in an associate		-	-	1,509,224
Loan to an associate	6, 13	223,576,307	248,530,607	222,132,556
		<u>246,720,012</u>	<u>271,293,326</u>	<u>223,645,322</u>
Current assets				
Accounts receivable and other assets		1,850,390	1,889,669	2,183,020
Cash and cash equivalents		10,754,994	9,660,825	7,499,973
		<u>12,605,384</u>	<u>11,550,494</u>	<u>9,682,993</u>
TOTAL ASSETS		<u>259,325,396</u>	<u>282,843,820</u>	<u>233,328,315</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		7,416,960	7,416,960	7,317,263
Treasury shares	8	(1,544,594)	(1,544,594)	(1,544,594)
Other reserve		(111,480)	(111,480)	17,466
Foreign currency translation reserve		56,401	56,401	51,771
Retained earnings		13,439,532	12,991,934	12,751,585
Equity attributable to holders of the Parent Company		<u>106,111,819</u>	<u>105,664,221</u>	<u>105,448,491</u>
Non-controlling interests		1,171,971	1,139,845	1,103,271
Total equity		<u>107,283,790</u>	<u>106,804,066</u>	<u>106,551,762</u>
Non-current liabilities				
Accounts payable and other liabilities	9	22,349,908	22,242,974	817,571
Employees' end of service benefits		801,327	771,392	880,412
		<u>23,151,235</u>	<u>23,014,366</u>	<u>1,697,983</u>
Current liabilities				
Accounts payable and other liabilities	9	9,040,114	8,220,831	6,672,064
Loan from a related party	6	119,850,257	144,804,557	118,406,506
		<u>128,890,371</u>	<u>153,025,388</u>	<u>125,078,570</u>
Total liabilities		<u>152,041,606</u>	<u>176,039,754</u>	<u>126,776,553</u>
TOTAL EQUITY AND LIABILITIES		<u>259,325,396</u>	<u>282,843,820</u>	<u>233,328,315</u>

Tarek Ibrahim Mohammad Al Mousa
Chairman


Hamad Adnan Eisa malallah
CEO & Vice Chairman

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 2025

	<i>Three months ended</i> <i>31 March</i>	
	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
OPERATING ACTIVITIES		
Profit for the period before tax	484,276	680,268
<i>Adjustments for:</i>		
Depreciation	970	196
Amortisation	409,540	81,996
Provision for employees' end of service benefits	32,665	21,088
Interest income	(78,185)	(56,033)
Share of results of an associate	-	421,162
Allowances for expected credit losses, net	-	40,843
Finance cost	313,096	23,059
	1,162,362	1,212,579
<i>Working capital changes:</i>		
Accounts receivable and other assets	49,144	(107,891)
Accounts payable and other liabilities	(163,231)	(330,388)
Cash flows from operations	1,048,275	774,300
Employees' end of service benefits paid	(2,730)	(43)
Taxes paid	-	(33,316)
Net cash flows from operating activities	1,045,545	740,941
INVESTING ACTIVITIES		
Purchase of property and equipment	(19,696)	(3,051)
Repayment from (additions to) loan to an associate	24,954,300	(6,900,435)
Interest income received	68,320	46,719
Net cash flows from (used in) investing activities	25,002,924	(6,856,767)
FINANCING ACTIVITIES		
(Repayment of) proceeds from loan from a related party	(24,954,300)	6,900,435
Net cash flows (used in) from financing activities	(24,954,300)	6,900,435
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,094,169	784,609
Cash and cash equivalents as at 1 January	9,660,825	6,715,364
CASH AND CASH EQUIVALENTS AS AT 31 March	10,754,994	7,499,973
Non-cash items excluded from the consolidated statement of cash flows:		
Addition to intangible assets	771,800	-
Addition to lease liabilities (adjusted with accounts payable and other liabilities)	654,702	-
Prepayments adjusted with intangible assets	117,098	-

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 2025

	<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 2025	38,250,000	48,605,000	7,416,960	(1,544,594)	(111,480)	56,401	12,991,934	105,664,221	1,139,845	106,804,066
Profit for the period	-	-	-	-	-	-	447,598	447,598	32,126	479,724
Total comprehensive income for the period	-	-	-	-	-	-	447,598	447,598	32,126	479,724
As at 31 March 2025	38,250,000	48,605,000	7,416,960	(1,544,594)	(111,480)	56,401	13,439,532	106,111,819	1,171,971	107,283,790

	<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

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 2025

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 2025 were authorised for issue by the Board of Directors on 15 May 2025

The annual general assembly meeting (“AGM”) of the Parent Company for the year ended 31 December 2024 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 2024. The interim condensed consolidated financial information for the three months period ended 31 March 2025 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 2024. 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 2025.

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 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

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

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material 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 31 March</i>	
	2025	2024
	KD	KD
Profit for the period attributable to equity holders of the Parent Company	447,598	616,888
	<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	1.19 Fils	1.63 Fils

5 INTANGIBLE ASSETS

Messila Beach Project

On 18 July 2024, the Group entered into an arrangement with Touristic Enterprises Company ("TEC") (the "Grantor") to operate the pre-existing gardens, parks and recreation centers located in Messila beach (the "Project"). The project is fully developed and built by the TEC. The contract term is for 17 years, and the project will be handed back to the Grantor at the end of the term. The project was handed over the Group on 4 September 2024.

As at 31 March 2025, intangible assets include KD 22,320,456 (31 December 2024 KD 22,650,155 and 31 March 2024: Nil) relating to this arrangement and lease liabilities of KD 23,219,684 (31 December 2024 KD 22,935,204 and 31 March 2024: Nil) included in accounts payable and other liabilities, which represents the minimum fixed payments that will be paid by the Group to the Grantor over the term of the arrangement, discounted at a rate of 5%.

The Ultimate Parent Company has provided guarantees amounting to KD 3,283,200 (2024: Nil) for Messila Beach Project on behalf of the Group. (Note 13)

Sheikh Saa'd Terminal

The Group had an agreement to operate a Built-Operate-Transfer (BOT) project for the construction of Sheikh Saa'd Terminal (the "terminal"). On 10 February 2022, the Group received a proposal with an extension until 27 September 2023, followed by another proposal received on 18 September 2023 to extend the contract until 27 December 2023. On November 30, 2023, the contract was further extended until 14 May 2024. On 23 March 2025, the Group received further annual extension until 14 May 2027.

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 2025

5 INTANGIBLE ASSETS (continued)

Sheikh Saa'd Terminal (continued)

During the period, the Group has capitalized the contractual extension of the lease. As at 31 March 2025, intangible assets include KD 691,959 (31 December 2024: Nil and 31 March 2024: Nil) relating to this arrangement and lease liabilities of KD 654,703 (31 December 2024 Nil and 31 March 2024 Nil) included in accounts payable and other liabilities, which represents the minimum fixed payments that will be paid by the Group to the Grantor over the term of the arrangement, discounted at a rate of 5%.

Commercial complex of Kuwait International Airport

The Group had an agreement to operate a Built-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 1 May 2024, the Group received a letter from DGCA to continue operating the contract until 18 May 2025. Subsequent to the reporting date, the Group has been notified that DGCA will be taking over the terminal effective 19 May 2025.

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 2025, intangible assets include Nil (31 December 2024: Nil and 31 March 2024: Nil) relating to this arrangement and liability of KD 1,515,430 (31 December 2024: KD 1,515,430 and 31 March 2024: KD 1,515,430) 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 September 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.

On 7 January 2025, Incheon International Airport Corporation ("Incheon"), the primary contractor from whom this project was sub-contracted by the Group, filed a legal case against the Parent Company, claiming KD 1,515,430 being due lease rentals as well as delay fines. Incheon has requested to appoint an expert to review the details of the case. The first hearing of 18 March 2025 is now postponed to 27 May 2025.

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>2025 KD</i>	<i>2024 KD</i>
<i>Interim condensed consolidated statement of income:</i>				
Revenues	-	17,442	17,442	29,696
Other income	-	30,000	30,000	-
Operating costs	-	(248,919)	(248,919)	(233,518)
General and administrative expenses	-	(34,075)	(34,075)	(30,068)
Finance cost	(19,875)	-	(19,875)	(9,569)

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 2025

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 2025 KD</i>	<i>(Audited) 31 December 2024 KD</i>	<i>31 March 2024 KD</i>
<i>Interim condensed consolidated statement of financial position:</i>						
Loan to an associate ¹	-	-	223,576,307	223,576,307	248,530,607	222,132,556
Amounts due from a related party (included in accounts receivable and other assets)	-	-	36,007	36,007	8,491	116,075
Amounts due to related parties (Included in accounts payable and other liabilities)	(951,713)	-	(272,421)	(1,224,134)	(1,135,722)	(1,033,162)
Loan from a related party ²	-	(119,850,257)	-	(119,850,257)	(144,804,557)	(118,406,506)

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 2024: KD 6,580,301 and 31 March 2024: 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 2025 of KD 7,656,629 (31 December 2024: KD 30,092,851 and 31 March 2024: KD 6,759,285). 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 agreement has been revised to have a limit of KD 160 million as per the addendum signed on 8 August 2024. The utilized portion of the loan as of 31 March 2025 amounts to KD 119.85 million and the unutilized portion of the loan amounting to KD 40.15 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 Ultimate Parent Company has provided guarantees amounting to KD 3,283,200 (31 December 2024: KD 3,283,200 and 31 March 2024: KD Nil) for a Messila Beach Project on behalf of Group (Note 12).

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 2025

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 31 March</i>	
	2025	2024
	KD	KD
Short-term benefits	80,352	100,215
Employees' end of service benefits	21,194	7,728
	101,546	107,943

7 SHARE CAPITAL

	31 March 2025 KD	<i>(Audited)</i> 31 December 2024 KD	31 March 2024 KD
Issued and paid up share capital of 382,500,000 shares of 100 fils each (31 December 2024: 382,500,000 shares of 100 fils each and 31 March 2024: 382,500,000 shares of 100 fils each)	38,250,000	38,250,000	38,250,000
		<i>(Audited)</i>	
	31 March 2025 Shares	31 December 2024 Shares	31 March 2024 Shares
<i>Authorised shares</i>			
Ordinary shares of 100 fils each	1,132,500,000	1,132,500,000	1,132,500,000
<i>Ordinary shares issued and fully paid</i>	382,500,000	382,500,000	382,500,000

8 TREASURY SHARES

	31 March 2025	<i>(Audited)</i> 31 December 2024	31 March 2024
Number of treasury shares (shares)	4,824,307	4,824,307	4,824,307
Percentage of issued shares (%)	1%	1%	1%
Market value (KD)	810,484	747,768	824,956
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 2025

9 ACCOUNTS PAYABLE AND OTHER LIABILITIES

	31 March 2025 KD	<i>(Audited)</i> 31 December 2024 KD	31 March 2024 KD
Lease liabilities	25,389,817	24,450,634	1,515,430
Accounts payable	1,062,616	1,037,228	1,084,584
Amounts due to related parties (Note 6)	1,224,134	1,135,722	1,033,162
Accrued expenses	1,630,298	1,617,495	1,897,373
KFAS payable	15,988	15,988	-
Contract liabilities	542,417	783,035	468,124
Provision for staff leave	115,105	100,906	134,453
Tenant refundable deposits	1,409,647	1,322,797	1,356,509
	31,390,022	30,463,805	7,489,635

	31 March 2025 KD	<i>(Audited)</i> 31 December 2024 KD	31 March 2024 KD
Classified as:			
Non-current liabilities	22,349,908	22,242,974	817,571
Current liabilities	9,040,114	8,220,831	6,672,064
	31,390,022	30,463,805	7,489,635

10 TAXATION

	<i>Three months ended 31 March</i>	
	2025 KD	2024 KD
National labour support tax ("NLST")	-	17,806
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	4,552	6,483
Zakat	-	7,123
	4,552	31,412

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 2025

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>31 March</i>		<i>31 March</i>		<i>31 March</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</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	78,185	56,033	2,032,631	2,240,110	2,110,816	2,296,143
Segment profit (loss)	58,310	(374,888)	425,966	1,055,156	484,276	680,268
Unallocated expenses	-	-	-	-	(4,552)	(31,412)
Profit for the period	-	-	-	-	479,724	648,856
<i>Other information:</i>						
Share of results of associates	-	(421,162)	-	-	-	(421,162)
Depreciation and amortization	-	-	(410,510)	(82,192)	(410,510)	(82,192)

	<i>Investments</i>			<i>Services operations</i>			<i>Total</i>		
	<i>(Audited)</i>			<i>(Audited)</i>			<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2025</i>	<i>2024</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2024</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	232,677,326	253,813,358	229,451,687	26,648,070	29,030,462	3,876,628	259,325,396	282,843,820	233,328,315
Liabilities	119,850,257	144,804,557	118,406,506	32,191,349	31,235,197	8,370,047	152,041,606	176,039,754	126,776,553
Additions to property and equipment	-	-	-	19,696	113,721	3,051	19,696	113,721	3,051
Investment in an associate	-	-	1,509,224	-	-	-	-	-	1,509,224

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

12 CONTINGENCIES

As at 31 March 2025, the Group had contingent liabilities, amounting to KD 304,154 (31 December 2024: KD 642,554 and 31 March 2024: KD 524,576, in respect of bank guarantees arising in normal course of business from which it is anticipated that no material liabilities will arise.

The Ultimate Parent Company has provided guarantees amounting to KD 3,283,200 (31 December 2024: 3,283,200 and 31 March 2024: Nil) for a Messila Beach Project on behalf of the Group (Note 5).

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.

	31 March 2025 KD	<i>(Audited)</i> 31 December 2024 KD	31 March 2024 KD
At the beginning of the period / year	248,530,607	215,232,121	215,232,121
(Repayments) Addition to contribution	(24,954,300)	33,298,486	6,900,435
At the end of the period / year	223,576,307	248,530,607	222,132,556