

**AGILITY PUBLIC WAREHOUSING
COMPANY K.S.C.P. AND 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 AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Agility Public Warehousing Company 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, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and 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

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- (i) As stated in Note 4 to the interim condensed consolidated financial information, the Group’s investment in and loan to Korek Telecom (“Korek”) is carried at KD 111,973 thousand (31 December 2024: KD 111,951 thousand and 31 March 2024: KD 111,774 thousand) and KD 35,818 thousand (31 December 2024: KD 35,811 thousand and 31 March 2024: KD 35,755 thousand) respectively, in the interim condensed consolidated statement of financial position as at 31 March 2025. We were unable to obtain sufficient appropriate evidence about the carrying value of the investment in Korek and the recoverability of the loan due to the nature and significant uncertainty around the investment and eventual outcome of the various ongoing arbitrations. Consequently, we were unable to determine whether any adjustments to the carrying value of the investment in and loan to Korek were necessary. We have been issuing a qualified opinion and conclusion on the consolidated financial statements of the Group in respect of the same matter since the year ended 31 December 2014.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC
WAREHOUSING COMPANY K.S.C.P. (continued)**

Basis for Qualified Conclusion (continued)

- (ii) As stated in Note 12(a) to the interim condensed consolidated financial information, the Group has investment properties amounting to KD 280,308 thousand as at 31 March 2025 (31 December 2024: KD 280,293 thousand and 31 March 2024: KD 280,349 thousand) that are leased from the Public Authority for Industry, Kuwait (“PAI”), of which the lease contracts of properties amounting to KD 258,370 thousand (31 December 2024: KD 258,355 thousand and 31 March 2024: KD 190,980 thousand) have expired as at the reporting date and the lease contracts of properties amounting to KD 229,920 thousand (31 December 2024: KD 223,255 thousand and 31 March 2024: KD 190,980 thousand) are currently under legal dispute since PAI issued a notice to the Group on 18 January 2023 expressing their unwillingness to renew or extend these lease contracts, and for the Group to vacate these premises within a week of issuing the notice. As part of legal proceedings, the Group has asked the Kuwait courts to prevent PAI from interrupting the usage of these properties by the Group. The Group was also unable to obtain a reliable estimate of the fair value of the investment properties leased from PAI, on account of the uncertainty associated with these properties, as a result of the ongoing litigation with PAI. We were therefore unable to obtain sufficient appropriate audit evidence about the existence and valuations of these investment properties due to the expiry of the underlying lease contracts as detailed in Note 12(a), and management being unable to determine the fair value of all the leased properties from PAI as at 31 March 2025. Further there is significant uncertainty around the renewal of all the lease contracts with PAI and the rights or liabilities that may arise, as well as the operational revenues, profitability and related cashflows that may be impacted, as a result of the ongoing legal proceedings. Consequently, we were unable to determine whether any adjustments to the carrying value of these properties were necessary. We have been issuing a qualified opinion and conclusion on the consolidated financial statements of the Group in respect of the same matter since the year ended 31 December 2022.
- (iii) As stated in Note 12(c) to the interim condensed consolidated financial information, the Group has recognized an income under 'recognition of legal claims (net)' amounting to KD 54,396 thousand in the consolidated statement of income for the year ended 31 December 2024, instead of accounting for it retrospectively in the year ended 31 December 2022. Accordingly, receivables, retained earnings and non-controlling interest for the comparative period as at 31 March 2024, are understated by KD 54,396 thousand, KD 32,964 thousand and KD 21,432 thousand respectively. Further, as stated in Note 12(c), the Group is also eligible for 7% interest per annum on the awarded compensation, the financial impact of which has not been accounted in the interim condensed consolidated financial information. We have issued a qualified opinion on the consolidated financial statements of the Group for the year ended 31 December 2024 in respect of the same matter.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P. (continued)

Qualified Conclusion

Based on our review, except for the possible effect of the matters described in the “Basis for Qualified Conclusion” paragraph above, 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.

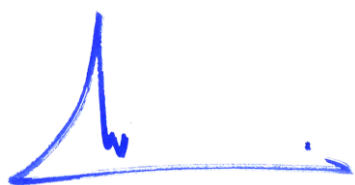
Emphasis of Matter

We draw attention to Note 12(d) to the interim condensed consolidated financial information which describe the contingencies and claims with the General Administration of Customs for Kuwait. Our conclusion is not further qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, except for the possible effects of the matters described in the “Basis for Qualified Conclusion” paragraph above, 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, except for the possible effects of the matters described in the “Basis for Qualified Conclusion” paragraph above, 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, except for the valuation of investment properties as disclosed in Note 12(a).



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15 May 2025
Kuwait

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2025

		31 March 2025	(Audited) 31 December 2024	(Restated) 31 March 2024
	Notes	KD 000's	KD 000's	KD 000's
ASSETS				
Non-current assets				
Property, plant and equipment		299,165	298,412	306,816
Projects in progress		74,353	68,728	51,799
Right-of-use assets		229,325	236,872	178,126
Investment properties		533,536	533,279	517,631
Intangible assets		85,749	86,008	92,789
Goodwill		265,587	266,794	260,758
Investment in associates and joint ventures	13	145,004	143,053	143,573
Financial assets at fair value through profit or loss	4	126,300	127,713	123,714
Financial assets at fair value through other comprehensive income	5	1,173,523	1,293,906	994,627
Other non-current assets		91,115	55,519	158,666
Loans to related parties	13	229,530	252,154	232,935
Loan to an associate	4,13	35,818	35,811	35,755
Total non-current assets		3,289,005	3,398,249	3,097,189
Current assets				
Inventories		51,969	70,731	68,388
Trade receivables		246,333	230,743	232,234
Other current assets		192,541	177,101	133,030
Loan to a related party	13	68,196	-	-
Bank balances, cash and deposits	6	344,031	319,569	328,703
Total current assets		903,070	798,144	762,355
TOTAL ASSETS		4,192,075	4,196,393	3,859,544
EQUITY AND LIABILITIES				
EQUITY				
Share capital		267,613	267,613	267,613
Share premium		152,650	152,650	152,650
Statutory reserve		195,595	195,595	195,595
Treasury shares	7	(40,561)	(40,561)	(40,561)
Treasury shares reserve		56,769	56,769	56,769
Foreign currency translation reserve		(28,081)	(18,690)	(25,839)
Hedging reserve		19,244	(8,059)	39,228
Investment revaluation reserve		(531,713)	(468,517)	(567,721)
Other reserves		18,018	17,834	26,350
Retained earnings		873,948	862,309	843,891
Equity attributable to equity holders of the Parent Company		983,482	1,016,943	947,975
Non-controlling interests		990,030	1,026,806	131,425
Total equity		1,973,512	2,043,749	1,079,400
LIABILITIES				
Non-current liabilities				
Provision for employees' end of service benefits		49,567	53,491	36,173
Interest bearing loans	8	1,152,146	1,073,035	1,097,581
Lease liabilities		203,642	206,584	163,352
Other non-current liabilities		30,230	73,738	44,607
Total non-current liabilities		1,435,585	1,406,848	1,341,713
Current liabilities				
Interest bearing loans	8	170,658	136,114	122,033
Lease liabilities		61,564	66,700	46,333
Trade and other payables		542,202	534,369	460,037
Dividends payable		8,554	8,613	810,028
Total current liabilities		782,978	745,796	1,438,431
Total liabilities		2,218,563	2,152,644	2,780,144
TOTAL EQUITY AND LIABILITIES		4,192,075	4,196,393	3,859,544

Tarek Abdulaziz Sultan AlEssa
Vice Chairperson and CEO

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 31 March 2025

		Three months ended 31 March	
		2025 KD 000's	2024 KD 000's
Revenue from contract with customers	9	389,008	336,290
Cost of revenues		(141,570)	(113,872)
Net revenues		247,438	222,418
General and administrative expenses		(186,918)	(163,420)
Share of results of associates and joint ventures		3,415	480
Unrealised (loss) gain on financial assets at fair value through profit or loss		(1,501)	3,561
Dividend income		4,051	3,182
Miscellaneous income		1,112	3,021
Profit before interest, taxation, depreciation, amortisation and Directors' remuneration (EBITDA)		67,597	69,242
Depreciation		(24,882)	(21,135)
Amortisation		(2,099)	(2,118)
Profit before interest, taxation and Directors' remuneration (EBIT)		40,616	45,989
Interest income		2,723	650
Finance costs		(18,680)	(16,705)
Profit before taxation and Directors' remuneration		24,659	29,934
Taxation	10	(5,097)	(3,596)
Directors' remuneration		(88)	(88)
PROFIT FOR THE PERIOD		19,474	26,250
Attributable to:			
Equity holders of the Parent Company		11,587	18,691
Non-controlling interests		7,887	7,559
		19,474	26,250
BASIC AND DILUTED EARNINGS PER SHARE – ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (FILS)	11	4.65	7.50

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2025

	Note	Three months ended 31 March	
		2025 KD 000's	2024 KD 000's
Profit for the period		19,474	26,250
Other comprehensive loss:			
<i>Items that are or may be reclassified to consolidated statement of income in subsequent periods:</i>			
Foreign currency translation adjustments		(20,676)	17,543
Share of other comprehensive (loss) gain of associates and joint ventures		(40)	686
(Loss) gain on hedge of net investments		(3,905)	32
Net other comprehensive (loss) income that are or may be reclassified to consolidated statement of income in subsequent periods		(24,621)	18,261
<i>Items that will not be reclassified to the consolidated statement of income:</i>			
Changes in fair value of financial assets at fair value through other comprehensive income		(120,837)	(79,687)
Gain on fair value hedges	5	56,065	20,373
Net other comprehensive loss that will not be reclassified to consolidated statement of income		(64,772)	(59,314)
Total other comprehensive loss		(89,393)	(41,053)
Total comprehensive loss for the period		(69,919)	(14,803)
Attributable to:			
Equity holders of the Parent Company		(33,513)	(22,589)
Non-controlling interests		(36,406)	7,786
		(69,919)	(14,803)

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 March 2025

		Three months ended 31 March	
	Note	2025 KD 000's	2024 KD 000's
OPERATING ACTIVITIES			
Profit before taxation and Director's remuneration		24,659	29,934
Adjustments for:			
Expected credit losses on trade receivables		1,646	1,495
Provision for employees' end of service benefits		1,308	857
Foreign currency exchange gain		(330)	(152)
Share of results of associates and joint ventures		(3,415)	(480)
Unrealised loss (gain) on financial assets at fair value through profit or loss		1,501	(3,561)
Dividend income		(4,051)	(3,182)
Miscellaneous income		(479)	(1,624)
Depreciation		24,882	21,135
Amortisation		2,099	2,118
Interest income		(2,723)	(650)
Finance costs		18,680	16,705
Operating profit before changes in working capital		63,777	62,595
Inventories		18,990	(9,785)
Trade receivables		(15,419)	(13,846)
Other current assets		(7,503)	(2,817)
Trade and other payables		(981)	(5,558)
		58,864	30,589
Taxation paid		(2,565)	(2,999)
Employees' end of service benefits paid		(312)	(1,675)
Net cash flows from operating activities		55,987	25,915
INVESTING ACTIVITIES			
Net movement in financial assets at fair value through profit or loss		(169)	(122)
Net movement in financial assets at fair value through other comprehensive income		(177)	(2,101)
Additions to property, plant and equipment		(13,315)	(5,552)
Proceeds from disposal of property, plant and equipment		433	5,556
Loans to related parties		(42,168)	(6,926)
Additions to projects in progress		(3,241)	(13,006)
Disposal of a subsidiary		(2,190)	-
Dividends received		5,295	2,718
Acquisition of additional interest in a subsidiary		(1,641)	(1,235)
Interest income received		1,518	650
Deferred consideration related to acquisitions of prior years		(3,499)	-
Net movement in deposits with original maturities exceeding three months		(6,542)	(7,634)
Net cash flows used in investing activities		(65,696)	(27,652)
FINANCING ACTIVITIES			
Proceeds from interest bearing loans		156,680	160,961
Repayment of interest bearing loans		(80,224)	(37,324)
Payment of lease obligations		(21,589)	(17,364)
Finance cost paid		(34,299)	(6,991)
Dividends paid to equity holders of the Parent Company		(59)	(24)
Dividends paid to non-controlling interests		(370)	(400)
Net cash flows from financing activities		20,139	98,858
Net foreign exchange differences		892	(1,077)
NET INCREASE IN CASH AND CASH EQUIVALENTS		11,322	96,044
Cash and cash equivalents at 1 January		227,689	137,605
CASH AND CASH EQUIVALENTS AT 31 MARCH	6	239,011	233,649

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Agility Public Warehousing Company K.S.C.P. and 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 000's</i>	<i>Share premium KD 000's</i>	<i>Statutory reserve KD 000's</i>	<i>Treasury shares KD 000's</i>	<i>Treasury shares reserve KD 000's</i>	<i>Foreign currency translation reserve KD 000's</i>	<i>Hedging reserve KD 000's</i>	<i>Investment revaluation reserve KD 000's</i>	<i>Other reserves KD 000's</i>	<i>Retained earnings KD 000's</i>	<i>Sub total KD 000's</i>	<i>Non-controlling interests KD 000's</i>	<i>Total equity KD 000's</i>
As at 1 January 2025	267,613	152,650	195,595	(40,561)	56,769	(18,690)	(8,059)	(468,517)	17,834	862,309	1,016,943	1,026,806	2,043,749
Profit for the period	-	-	-	-	-	-	-	-	-	11,587	11,587	7,887	19,474
Other comprehensive (loss) income	-	-	-	-	-	(9,391)	27,303	(63,196)	184	-	(45,100)	(44,293)	(89,393)
Total comprehensive (loss) income for the period	-	-	-	-	-	(9,391)	27,303	(63,196)	184	11,587	(33,513)	(36,406)	(69,919)
Share based payments	-	-	-	-	-	-	-	-	-	52	52	-	52
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(370)	(370)
As at 31 March 2025	267,613	152,650	195,595	(40,561)	56,769	(28,081)	19,244	(531,713)	18,018	873,948	983,482	990,030	1,973,512
As at 1 January 2024 (restated)	267,613	152,650	195,595	(40,561)	56,769	(44,132)	18,857	(487,891)	26,464	1,627,170	1,772,534	124,039	1,896,573
Profit for the period	-	-	-	-	-	-	-	-	-	18,691	18,691	7,559	26,250
Other comprehensive income (loss)	-	-	-	-	-	18,293	20,371	(79,830)	(114)	-	(41,280)	227	(41,053)
Total comprehensive income (loss) for the period	-	-	-	-	-	18,293	20,371	(79,830)	(114)	18,691	(22,589)	7,786	(14,803)
Interim cash dividends	-	-	-	-	-	-	-	-	-	(25,524)	(25,524)	-	(25,524)
Dividends in-kind	-	-	-	-	-	-	-	-	-	(776,446)	(776,446)	-	(776,446)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(400)	(400)
As at 31 March 2024	267,613	152,650	195,595	(40,561)	56,769	(25,839)	39,228	(567,721)	26,350	843,891	947,975	131,425	1,079,400

The attached notes 1 to 17 form part of this interim condensed consolidated financial information.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

1 CORPORATE INFORMATION

Agility Public Warehousing Company K.S.C.P. (the “Parent Company”) is a Kuwaiti shareholding company incorporated in 1979 and listed on Boursa Kuwait and Dubai Stock Exchange. The address of the Parent Company’s Head office is Sulaibia, beside Land Customs Clearing Area, P.O. Box 25418, Safat 13115, Kuwait. The Group operates under the brand name of “Agility”.

The interim condensed consolidated financial information of the Parent Company and its subsidiaries (collectively, the “Group”) was authorised for issue by the Board of Directors on 15 May 2025.

The consolidated financial statements of the Parent Company and its subsidiaries (collectively “the Group”) for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 27 March 2025 and are issued subject to the approval of the Ordinary General Assembly of the shareholders' of the Parent Company which has not been held to date. The Ordinary General Assembly of the shareholders has the power to amend these consolidated financial statements after issuance.

The main objectives of the Parent Company are as follows:

- ▶ Construction, management and renting of all types of warehouses.
- ▶ Warehousing goods under customs' supervision inside and outside customs areas.
- ▶ Investing the surplus funds in investment portfolios.
- ▶ Participating in, acquiring or taking over companies of similar activities or those that would facilitate achieving the Parent Company's objectives inside or outside Kuwait.
- ▶ All types of transportation, distribution, handling and customs clearance for goods.
- ▶ Customs consulting, customs automation, modernisation and decision support.

Certain comparative information has been reclassified and re-presented to conform to the classification in the current period. Such reclassifications have been made to improve the quality of information presented and had no impact on the previously reported profit for the period.

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 include all of the information and disclosures required for complete consolidated financial statements prepared in accordance with IFRS Accounting Standards (“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.

3 NEW STANDARDS, INTERPRETATIONS, AMENDMENTS AND ACCOUNTING POLICIES ADOPTED BY THE GROUP

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.

One amendment applies for the first time in 2025 but does not have a material impact on the interim condensed consolidated financial information of the Group.

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.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

3 NEW STANDARDS, INTERPRETATIONS, AMENDMENTS AND ACCOUNTING POLICIES ADOPTED BY THE GROUP (continued)

Lack of exchangeability - Amendments to IAS 21 (continued)

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.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2025 KD 000's	(Audited) 31 December 2024 KD 000's	31 March 2024 KD 000's
Investment in an associate - outside Kuwait (Note 13)	111,973	111,951	111,774
Quoted equity securities – outside Kuwait	2,355	4,357	2,945
Treasury bills - outside Kuwait	10,241	9,762	7,590
Unquoted equity securities - in Kuwait	21	21	21
Investment in funds - outside Kuwait (Note 13)	1,710	1,622	1,384
	<u>126,300</u>	<u>127,713</u>	<u>123,714</u>

During the year ended 31 December 2011, the Group (through its wholly owned subsidiary, a Venture Capital Organisation) jointly with France Telecom acquired 44% equity interest in Korek Telecom L.L.C. ("Korek Telecom"), a limited liability company incorporated in Iraq, via a joint company owned 54% by the Group and 46% by France Telecom. As a result, the Group owns 23.7% indirect interest in Korek Telecom.

The investment in Korek Telecom has been classified as an investment in an associate as the Group exercises significant influence over financial and operating policies of Korek Telecom. As this associate is held as part of Venture Capital Organization's investment portfolio, it is carried in the interim condensed consolidated statement of financial position at fair value. This treatment is permitted by IAS 28 "Investment in Associates and Joint Ventures" which allows investments held by Venture Capital Organisations to be accounted for at fair value through profit and loss in accordance with IFRS 9, with changes in fair value recognised in the interim condensed consolidated statement of income in the period of change.

As at 31 March 2025, interest bearing loan provided by the Group to Korek Telecom amounted to KD 35,818 thousand (31 December 2024: KD 35,811 thousand and 31 March 2024: KD 35,755 thousand) (Note 13).

Korek Litigation

ICSID Claim

In February 2017, the Group filed a request for arbitration against the Republic of Iraq pursuant to Article 36 of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States ("ICSID"), and Article 10 of the Agreement between the Government of the State of Kuwait and the Government of the Republic of Iraq for Reciprocal Promotion and Protection of Investments (the "2015 BIT"). The arbitral claim arises from a series of actions and inactions of the Iraqi government, including its regulatory agency Communications & Media Commission ("CMC") relating to an alleged decision by the CMC to annul the previous written consent granted in connection with the Group's investment in Korek Telecom, as well as the CMC's order to transfer the shares acquired by the Group back to the original Iraqi shareholders (which was implemented in March 2019). Without limitation, the Group's claims relate to Iraq's failure to treat the Group's investment of over USD 380 million fairly and equitably, its failure to accord the Group with due process, as well as the indirect expropriation of that investment, each in breach of the 2015 BIT. On 24 February 2017, the Group's request for arbitration was formally registered with ICSID. The arbitration tribunal was formally constituted on 20 December 2017 and an initial procedural hearing was held on 31 January 2018.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Korek Litigation (continued)

ICSID Claim (continued)

The Group's memorial was submitted on 30 April 2018. On 6 August 2018, Iraq submitted objections to jurisdiction and requested that they be determined as a preliminary matter before the case proceeds further on the merits. The tribunal bifurcated the proceedings on 31 October 2018 and the Group submitted its counter-memorial on jurisdiction on 10 January 2019. The reply of the respondents was submitted on 25 February 2019 and the Group's rejoinder was submitted on 21 March 2019. The hearings were held on 24 and 25 April 2019. On 9 July 2019, the tribunal issued its decision on jurisdiction in which it found that it had jurisdiction over certain (but not all) of the Group's claims. The case will now go forward on the merits of the claims over which the tribunal has jurisdiction. The Respondent's counter-memorial was submitted on 13 March 2020. The Group's reply to Respondent's Counter-Memorial was submitted on 17 July 2020. The hearings on the merits were held in October 2020, and post-hearing submissions were submitted in November 2020.

On 22 February 2021, the tribunal issued its ruling, dismissing all of the Group's claims and awarding costs of approximately USD 5 million in favor of the respondent. On 28 May 2021, the Group filed an application to annul the award with ICSID which was formally registered on 4 June 2021. On 22 September 2021, ICSID constituted a committee to adjudicate the Group's application to annul the award. The committee convened on 22 November, 2021 and issued a procedural timetable for the proceedings on 24 November 2021. In accordance with the procedural timetable, the Group submitted its Memorial on 22 December 2021. Iraq's Counter-Memorial was submitted on 22 April 2022. The hearings were convened on 15 and 16 November 2022. On 8 February 2024, the committee issued its decision in which it partially annulled the original judgment on the basis that the tribunal failed to properly rule on The Parent Company's implementation claim, thereby committing an annulable error. Consequently, on July 8, 2024, the Group refiled its ICSID claim against the Republic of Iraq. The claim has been registered and a new ICSID tribunal has been constituted. A hearing before the new ICSID tribunal is scheduled for November 2026.

Kuwait Claim Against the KRG

Separately, on 31 May 2021, Alcazar Capital Limited ("Alcazar"), a subsidiary of the Group, filed a claim in Kuwait against the Kurdistan Regional Government (KRG), a political subdivision of the Government of Iraq, under the terms of a sovereign guarantee in respect of the Group's investment. On 24 January 2022, the Court of First Instance dismissed Alcazar's claims on the basis that, among other things, Alcazar had failed to prove that it had extended the USD 250 million loan to Korek over which it was seeking damages under the sovereign guarantee. On 16 February 2022, Alcazar appealed the judgment to the Kuwait Court of Appeal. On 19 April 2022 the Court of Appeal issued a judgment in favor of Alcazar awarding damages of USD 490 million (the "Kuwait Judgement") against the Kurdistan Regional Government, together with interest of 7% p.a. up to the date of satisfaction of the amount. On 2 May 2023, the Kuwait Court of Cassation issued a stay of enforcement of the Kuwait Court of Appeal judgment, pending its adjudication of the matter. On 30 January 2024, the Kuwait Court of Cassation rejected the KRG's appeal and upheld the Kuwait Judgment.

Consequently, Alcazar commenced enforcement proceedings of the Kuwait Judgment. In January 2023, it commenced proceedings before the United States District Court for the Southern District of New York seeking recognition and enforcement of the Kuwaiti Judgment (the "SDNY Proceeding"). In April 2024, the U.S. Court stayed the proceedings pending the outcome of the proceedings in Kuwait. In July 2024, the U.S. Court lifted the stay and instituted a briefing schedule. The KRG has moved to dismiss the SDNY Proceeding on legal grounds. Alcazar has separately moved for the U.S. Court to enter summary judgment in its favor (i.e., granting Alcazar its requested relief). Briefing on these motions were completed at the end of October 2024. On 6 December 2024, the Court issued a ruling in which it denied the KRG's motions to dismiss Alcazar's claims, and stayed the case generally, pending the outcome of the ICSID proceedings. On December 20, 2024, Alcazar filed a motion for reconsideration of the stay order. That motion is currently pending.

Separately, in December 2022, Alcazar commenced enforcement proceedings in France. On 20 November 2023, the KRG submitted its Statement of Defense. Alcazar submitted its Statement of Reply on 27 February 2024, following which the court ordered the KRG to submit its Statement of Rejoinder on 27 March 2024.

On 26 March 2024, the KRG informed the court that it had submitted an application for reconsideration before the Kuwaiti courts – seeking to overturn the Kuwaiti Judgment – and on that basis requested an extension for the filing of its Statement of Rejoinder. On 29 March 2024, the court in the French Proceedings granted the KRG's request for an extension, ordering that the Statement of Rejoinder be submitted on 11 September 2024. The request for reconsideration before the before the Kuwaiti courts was dismissed on 9 July 2024.

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As at and for the period ended 31 March 2025

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Korek Litigation (continued)

Kuwait Claim Against the KRG (continued)

On 10 September 2024, the KRG submitted its Statement of Rejoinder, along with an application to stay the proceedings. Alcazar submitted its response to the KRG's application for stay on 8 October 2024, following which the court set a date for oral argument for 13 November 2024. On 3 December 2024, the KRG withdrew its application for stay, following which the court set a new hearing date for the parties to provide oral argument on the allocation of costs resulting from the KRG's stay application. The hearing took place on the scheduled date, 11 December 2024, and the court issued its decision on 22 January 2025, awarding certain costs in favor of Alcazar.

On 29 April 2025, Alcazar filed its submission on the merits.

Pending final outcome of the enforcement proceeding and the uncertainties on the timing and determination of recovery, the Group's management has not considered any adjustment in the interim condensed consolidated financial information.

Deed of Release Arbitration

On 24 February 2023, Korek commenced an arbitration against Alcazar, seeking a permanent injunction preventing Alcazar from enforcing in Kuwait and internationally against the KRG, the Kuwaiti Judgment. Korek claims the obtaining and enforcement of the Kuwaiti Judgment is a breach of a Deed of Release that Alcazar signed in 2011, by which Alcazar is said to have released Korek's obligations under the Convertible Loan Agreement. Korek also seeks various declarations, including declarations that Alcazar is in breach of contract and Korek has no liability under a Convertible Loan Agreement. Korek has also indicated that it will apply to the tribunal (once constituted) for an interim injunction preventing Alcazar from enforcing the Kuwaiti Judgment, pending the issuance of a final award in the arbitration. Korek submitted its Request for Arbitration to the ICC Secretariat on 24 February 2023, and this was served on Alcazar on 15 March 2023. Alcazar filed its Answer to the Request for Arbitration (the "Answer") on 15 May 2023. The tribunal was constituted on 23 July 2023. Korek filed its statement of claim on 18 October 2023. Alcazar filed a security for costs application on 20 October 2023, and a stay application on 23 October 2023. On 21 December 2023, the tribunal granted Alcazar's security for costs application but dismissed its stay application. Korek was required to provide security for Alcazar's costs in the amount of USD 1.35 million (the "Security Amount") by 18 January 2024 but failed to do so. The proceedings were therefore automatically stayed until Korek belatedly paid the Security Amount on 18 March 2024.

The proceedings have now recommenced. Korek filed an application for an interim injunction on 28 March 2024 (the "Injunction Application"). Alcazar filed its Statement of Defence on 23 April 2024. The document production phase concluded on 13 August 2024. On 30 August 2024, in Procedural Order No. 3, Iraq Telecom was awarded additional security for costs in the amount of USD 220,000 in respect of its costs of opposing Korek's Injunction Application. Korek filed its Statement of Reply on 26 September 2024. Written submissions on the Injunction Application concluded on 14 October 2024, and the Injunction Application will be heard on 13 November 2024, with skeletons to be filed on 6 November 2024. Iraq Telecom has applied to the Tribunal for an extension of time to file its Rejoinder until 27 January 2025. The parties filed written opening submissions on 3 February 2025. The merits hearing occurred on 10-14 February 2025. The parties filed written closings on 17 March 2025. The Final Award is pending.

Separately and prior to filing the Request for Arbitration under the Deed of Release, Korek applied to the DIFC Courts for an interim injunction restraining Alcazar from enforcing the Kuwaiti Judgment until the tribunal in the Release Arbitration is constituted and can determine an equivalent application for an interim injunction (the "Interim Injunction Application"). The Interim Injunction Application was made on 20 January 2023. Alcazar acknowledged service of the Interim Injunction Application on 17 February 2023. After the parties filed evidence and skeleton arguments, the hearing of the Interim Injunction Application occurred on 22 March 2023. On 13 June 2023 the DIFC Court dismissed the Interim Injunction Application. On 26 June 2023, the DIFC Court provided written reasons for the dismissal of the Interim Injunction Application. Alcazar was awarded its costs of the Interim Injunction Application and proceeded with a detailed assessment of its costs which resulted in the DIFC Court ordering Korek to pay Alcazar USD 307,753 on June 28, 2024. Korek has, to date, failed to pay and enforcement steps are being taken.

As the dispute remains pending without legal resolution and in the absence of clarity, the financial impact of this case cannot be assessed.

In conjunction with the foregoing claims related to Korek Telecom, Iraq Telecom Limited ("IT Ltd.") (in which the Group holds an indirect 54% stake) commenced the following proceedings:

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4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Korek Litigation (continued)

► *Shareholders Agreement Arbitration*

On 4 June 2018, IT Ltd. commenced ICC arbitration proceedings against Korek International (Management) Ltd (“CS Ltd”) and Mr. Sirwan Saber Mustafa. The dispute is in relation to various contractual breaches by the respondents under a shareholders’ agreement relating to the Parent Company’s investment in Korek Telecom. The amount in dispute is to be determined during the course of the proceedings.

The request for arbitration was submitted on 4 June 2018, and the respondents’ reply was submitted on 10 September 2018. IT Ltd. filed an amended request for arbitration on 15 January 2019 and the tribunal was constituted on 29 March 2019. IT Ltd’s Statement of Claim was submitted on 28 August 2019 and CS Ltd’s Statement of Defense was submitted on 22 January 2020. On 10 July 2020, IT Ltd. discontinued the proceedings on a without prejudice basis.

New proceedings were commenced with similar claims were nonetheless filed by IT Ltd., both for itself and on behalf of International Holdings Ltd (“IH”) and Korek Telecom, against CS Ltd. and Mr. Sirwan Saber Mustafa. On 25 August 2020, IT Ltd. filed its second amended (and current) request for arbitration for itself and in the name and on behalf of International Holdings Ltd. The tribunal was constituted, and IT Ltd.’s application to pursue derivative claims on behalf of International Holdings Ltd. and Korek Telecom was submitted in December 2020.

The tribunal held a preliminary hearing in February 2021 to adjudicate IT Ltd.’s application to bring derivative claims on behalf of International Holdings Ltd (including whether the tribunal has jurisdiction over such an application). By order dated 16 March 2021, the Tribunal granted IT Ltd. permission to file most of the derivative claims at issue. On 23 April 2021, IT Ltd. submitted its Statement of Claim on the merits. The parties held hearings on the merits between 8 and 16 May 2022. Further hearings occurred on 2 and 3 August 2022. On March 20, 2023, the Tribunal issued its award. The Tribunal agreed with IT Ltd. and International Holdings Limited that all of the respondents had engaged in a deliberate and intentional scheme “to bribe and corrupt officials” of Iraq’s telecommunications regulator in order to procure a wrongful decision to expropriate the shareholding of IT Ltd. and IH in Korek Telecom. The Tribunal also agreed with IT Ltd. and International Holdings Limited that Sirwan Saber Mustafa Barzani had breached his fiduciary obligations by engaging in multiple acts of self-dealing and misconduct, causing harm to the claimants. The Tribunal ordered that the respondents, jointly and severally, pay International Holdings Limited and IT Ltd. a combined amount of USD 1.65 billion in damages and legal costs, together with interest. Of this amount, an amount of USD 1.329 billion is due to International Holdings Limited, and an amount of USD 318.7 million is due to IT Ltd.

On 10 April 2023, an application for recognition and enforcement of the award was made. The DIFC Court granted the application on 13 April 2023 (the “R&E Order”). The R&E Order needs to be served before it is enforceable. On 14 April 2023, an application for permission to serve the Defendants with the R&E Order and related DIFC Court documents by alternative means was made. This application was granted by the DIFC Court on 2 May 2023.

On 14 April 2023, an application was made for IT Ltd. to have permission to enforce the award and the R&E Order for and on behalf of International Holdings Limited. This application was granted on 12 May 2023.

On 28 April 2023, IT Ltd. applied to the DIFC Court for a worldwide freezing order against Mr. Barzani, to the value of the amount he personally owes Iraq Telecom and IH Ltd under the SHA Award (i.e. circa US \$1.6 billion). An ex parte hearing occurred on 11 May 2023 and the freezing order was granted on 12 May 2023. Mr. Barzani was served with the freezing order and expressed his willingness to comply with it, and also provided asset disclosure via an affidavit. The parties are in ongoing correspondence regarding the extent of Mr. Barzani’s disclosure and his compliance with the freezing order. IT Ltd. can apply to the DIFC Court for an order for further disclosure, or cross-examination of Mr. Barzani, as necessary.

On 24 May 2023, Korek and Mr. Barzani applied to stay the effect of the R&E Order pending determination of the Award Set Aside Application (defined below) (the “R&E Application”). The Court granted the R&E Application on 31 May 2023, but then set aside the order granting the R&E Application on 2 June 2023 and requested a hearing of the R&E Application, which was listed for 25 July 2023. The parties then agreed to the withdrawal of the R&E Application, on the condition that Iraq Telecom undertake not to enforce the R&E Order in the DIFC until the determination of the Award Set Aside Application by the DIFC Court of First Instance. That agreement was memorialised in a consent order. The 25 July 2023 hearing has been vacated.

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As at and for the period ended 31 March 2025

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Korek Litigation (continued)

► *Shareholders Agreement Arbitration (continued)*

On 20 June 2023, Korek and Mr. Barzani applied to the DIFC Court to set aside the SHA Award. In respect of this application, IT Ltd. filed and served responsive evidence to Korek's and Mr. Barzani's application on 15 September 2023, and Korek and Mr. Barzani filed and served their factual evidence on 20 October 2023. The experts appointed by the parties were filed their joint reports on 24 November 2023, and a hearing of three days occurred in the week commencing 19 February 2024. On 29 August 2024, the DIFC Court dismissed the Award Set Aside Application in full and awarded Iraq Telecom its costs (the "Set Aside Judgment").

On 19 September 2024, Korek applied to the DIFC Court for: (1) permission to appeal the Set Aside Judgment; and (2) a stay of enforcement of the R&E Order in the DIFC pending any appeal. On 10 October 2024, Iraq Telecom submitted a skeleton argument in opposition to the permission to appeal application. On 27 November 2024, the DIFC Court granted permission to appeal, but refused the stay of enforcement. The hearing of the appeal occurred on 1 May 2025. A judgment is now pending.

Separately, on 24 December 2024, the SHA Respondents applied to the DIFC Court for an order that their counsel be permitted to disclose to various 3rd parties certain documentation from the SHA Arbitration that had been submitted as evidence by IT Ltd, and which was subject to a special confidentiality regime (called the Restricted Access Regime). IT Ltd opposed the application. The hearing of the application occurred on 25 March 2025. The DIFC Court dismissed the application on 9 April 2025 and ordered the SHA Respondents to pay IT Ltd's costs. The parties have filed costs submissions; the decision on costs is pending.

Pending final outcome of the enforcement proceedings and the uncertainties on the timing and determination of the amount of recovery, the Group's management has not considered any adjustment in the interim condensed consolidated financial information.

► *IBL Subordination Agreement Arbitration: Arbitration proceedings against IBL Bank SAL, Korek Telecom and International Holdings Ltd.*

The dispute is in relation to alleged fraud orchestrated by certain Korek Telecom stakeholders with the knowledge and cooperation of IBL Bank in connection with a subordination agreement relating to a USD 150 million loan extended by IBL Bank to Korek Telecom. The amount in dispute is to be determined during the course of the proceedings. The request for arbitration was submitted on 26 June 2018, and the respondents' reply and counterclaim was submitted on 8 October 2018. The counterclaim seeks damages for losses (still unquantified) allegedly suffered by the respondents in relation to their reputation and good standing. IBL's answer and counterclaim was submitted on 8 November 2018. Korek's and IH's answer was submitted on 14 December 2018. The tribunal was constituted on 15 May 2019. IT Ltd.'s Statement of Claim was submitted on 22 November 2019, and respondents' Statements of Defense were submitted on 21 February 2020. IT Ltd.'s Reply was filed on 22 July 2020. IBL's Rejoinder and Reply to Defence to Counterclaim and IH/Korek's Rejoinder were filed on 23 October 2020. The hearings were convened in February 2021.

On 24 September 2021, the Tribunal issued its award granting in full IT Ltd.'s claim to render as null and void the subordination agreement relating to the USD 150 million loan extended by IBL Bank to Korek Telecom. The Tribunal agreed with IT Ltd. that all of the respondents, including IBL Bank, had engaged in a deliberate and intentional deception of IT Ltd. The counterclaims of the respondents were rejected in their entirety. In addition to the avoidance of the subordination agreement, IT Ltd. was awarded legal costs in the amount of USD 3 million, which was collected on 18 May 2023.

As a result of this award, on 12 November 2021, IT Ltd. filed a Request for Arbitration against Korek Telecom, in order to enforce its debt claim of more than USD 285 million (plus default interest) bringing the total claim to approximately USD 1 billion, against IH, as debtor, and Korek Telecom, as guarantor. Korek Telecom filed its reply on 24 January 2022. On 17 June 2022, Korek Telecom filed a request to stay the proceedings pending adjudication of its application before the Lebanese courts to annul the arbitral award invalidating the Subordination Agreement. On 1 July 2022, IT Ltd. filed its response to Korek Telecom's motion to stay. On 15 July 2022, Korek Telecom filed its Reply in support of its motion to stay. On 29 July 2022, IT Ltd. filed its Rejoinder to Korek Telecom's motion to stay. The hearing of the stay application occurred on 17 August 2022 and Korek Telecom's stay application was dismissed by the Tribunal on 22 August 2022.

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4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Korek Litigation (continued)

- *IBL Subordination Agreement Arbitration: Arbitration proceedings against IBL Bank SAL, Korek Telecom and International Holdings Ltd. (continued)*

The first Procedural order was issued on 9 September 2022. IT Ltd. filed its Statement of Claim on 9 September 2022. Korek Telecom's Defense was filed on 18 November 2022, the disclosure stage concluded on 20 January 2023. Iraq Telecom's Statement of Reply was filed on 3 March 2023. Korek's Statement of Rejoinder was filed on 5 May 2023. The merits hearing was convened in June 2023, and further hearings were convened on 26 and 27 September 2023.

The Tribunal submitted its draft Final Award to the ICC Secretariat on 8 July 2024 for approval and declared the proceedings closed. The Final Award was issued on 9 September 2024.

Korek was ordered to pay IT Ltd. over USD 1.3 billion. IT Ltd applied to the tribunal for correction/interpretation of minor typographical and other errors in the award on 18 September 2024. That application was granted by the tribunal and an addendum to the award specifying the corrections was issued by the ICC to the parties on 6 January 2025. IT Ltd. is now in the process of enforcing this Final Award.

Pending final outcome of the enforcement proceedings and the uncertainties on the timing and determination of the amount of recovery, the Group's management has not considered any adjustment in the interim condensed consolidated financial information.

Separately as well, IT Ltd. filed a Request for Arbitration ("IBL II Arbitration") against IBL Bank on 13 December 2021, seeking damages for the fraud that was adjudicated in the previous arbitration. IBL Bank's Reply was submitted on 7 April 2022. The tribunal was constituted on 10 August 2022, and the Tribunal has convened a Case Management Conference in the arbitration on 3 November 2022 and issued a procedural timetable on 5 December 2022. Pursuant to the timetable, IT Ltd. filed its Statement of Claim on 9 December 2022 and IBL's Statement of Defense was filed 24 March 2023.

On 1 June 2023, the Beirut Court of Appeal issued its decision on IBL's challenge to the award in the initial IBL Arbitration, ordering the set aside of that award (the "Annulment Decision"). IT Ltd. appealed the Annulment Decision before the Lebanese Court of Cassation. Following the issuance of the Annulment Decision, on 7 July 2023, IT Ltd. applied for a stay of the proceedings, or, in the alternative, an adjustment of the procedural timetable. On the same date, IBL applied for a summary dismissal of IT Ltd.'s claims. The Tribunal granted a stay of the proceedings until IT Ltd.'s application to the Lebanese Court of Cassation to stay the annulment was determined. On 18 October 2023, the Lebanese Court of Cassation ordered a stay of the Annulment Decision. The challenge to the Beirut Court of Appeal's decision is currently pending, and the parties have indicated they have no objection to maintaining the stay pending the outcome of the challenge. On 1 February 2024, the Tribunal issued Procedural Order No. 10, ordering a stay of the arbitration proceedings until the Lebanese Court of Cassation's decision on the challenge to the Beirut Court of Appeal's decision. On 11 February 2025, the tribunal further extended the stay until 11 May 2025.

- *DIFC Director Claims*

On 12 March 2018 IT Ltd. commenced proceedings in the courts of the Dubai International Financial Centre ("DIFC") against Raymond Zina Rahmeh. The claim alleges breach of the defendant's duties as directors of International Holdings and also alleges multiple instances of self-dealing. Mr. Rahmeh was validly served with the claim in CFI-019-2018 in Lebanon on 6 February 2020 and a certificate of service was issued by the DIFC Court on 13 February 2020.

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4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Korek Litigation (continued)

► *DIFC Director Claims (continued)*

Permission for IT to bring the derivative claim for and on behalf of IH against Mr. Rahmeh was granted by the DIFC Court on 11 May 2020, subject to the condition that IT is to file a schedule of breach, loss and causation (which has been done). Efforts were made to serve Mr. Rahmeh with the Schedule of Particulars and other recent documents via diplomatic service, but ultimately failed. Per the orders of the Court, the Schedule of Particulars must be served before further steps are taken in the proceedings. IT Ltd therefore applied for and was granted on 17 June 2021 permission to serve Mr. Rahmeh with the Schedule of Particulars and other documents by alternative means (e.g. email and courier to various affiliates of Mr. Rahmeh). Service by the alternative methods was effected, and, subsequently, on 16 December 2021, a judgment against Mr. Rahmeh was issued in the amount of USD 71.3 million plus costs and interest. On 27 December 2021, the DIFC court granted permission for the judgement to be served on Mr. Rahmeh by way of alternate service. Alternative service was effected, IT is now in the process of enforcing the judgement sum plus costs. On 1 January 2023, IT Ltd. applied for injunctive relief (preventative attachments) before the courts in Lebanon regarding certain of Mr. Rahmeh's assets. On 25 January 2023, injunctive relief was granted, thereby attaching 26 properties owned by Mr. Rahmeh in different districts as well as his shares in 24 companies. The injunctive relief extends to profits generated by those companies. Following a number of notification steps, the enforcement process proceeded towards a court-controlled auction process to auction off the assets. However, this process was interrupted because Mr. Rahmeh appealed to the Court of Appeal the decision of the Lebanese Court of First Instance granting permission to IT Ltd to enforce the default judgment. Pending determination of Mr. Rahmeh's appeal, enforcement is paused by law. The appeal proceedings are ongoing.

Separately, on 5 September 2017, Modern Global Company for General Trading of Equipment, Supplier for Construction and Real Estate WLL (a wholly owned subsidiary of the Parent Company) commenced arbitration proceedings against Korek Telecom in relation to Korek's alleged failure to pay servicing fees due to Modern Global under a services agreement. On 20 March 2019, Modern Global was awarded its full claim, interest and legal costs, amounting to approximately USD 4.5 million. The Group is in the process of enforcing the award against Korek Telecom.

As part of the enforcement process, Modern Global sought leave to make alternative service on Korek. A hearing before the DIFC Court regarding the grant of alternative service was convened on 9 February 2021. The DIFC Court issued its judgment on 9 May 2021 pursuant to which Modern Global was wholly successful on the appeal. Consequently, Modern Global is now taking active steps to enforce the USD 5 million award against Korek in the UAE and Iraq. In April 2022, an amount of approximately USD 1.1 million was obtained from certain Korek assets in the United Arab Emirates. Enforcement efforts remain ongoing.

As a result of the ongoing litigation relating to Korek, the Group's management was unable to determine the fair value of this investment and the recoverability of interest-bearing loan as at 31 March 2025, 31 December 2024 and 31 March 2024. Accordingly, the investment is carried at its fair value as at 31 December 2013 of USD 359 million equivalent to KD 111,973 thousand (31 December 2024: KD 111,951 thousand and 31 March 2024: KD 111,774 thousand).

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		(Audited)	
	31 March 2025 KD 000's	31 December 2024 KD 000's	31 March 2024 KD 000's
Quoted equity securities - outside Kuwait **	1,151,283	1,272,114	964,802
Treasury bills – outside Kuwait	714	714	-
Unquoted securities:			
- In Kuwait	938	938	936
- Outside Kuwait	20,588	20,140	28,889
	<u>1,173,523</u>	<u>1,293,906</u>	<u>994,627</u>

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5 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

** Quoted equity securities include investment in a listed entity in Europe having a carrying value of KD 1,150,859 thousand (31 December 2024: KD 1,271,479 thousand and 31 March 2024: KD 963,624 thousand), of which, to the extent of securities having a carrying value of KD 834,631 thousand (31 December 2024: KD 922,108 thousand and 31 March 2024: KD 698,844 thousand), the Group has entered into a funded equity collar arrangement (“collars”) in order to hedge the fair value movements in these securities. The collars have been designated as a fair value hedge and accordingly the fair value gain on the collars during the period, amounting to KD 56,065 thousand (31 December 2024: loss of KD 117,775 thousand and 31 March 2024: gain of KD 20,373 thousand) has been recognized in the interim condensed consolidated statement of comprehensive income. The proceeds received from the collars amounting to KD 731,676 thousand (31 December 2024: KD 704,286 thousand and 31 March 2024: KD 727,352 thousand) is classified as interest bearing loans (Note 8).

6 BANK BALANCES, CASH AND DEPOSITS

	31 March 2025 KD 000's	<i>(Audited)</i> 31 December 2024 KD 000's	31 March 2024 KD 000's
Bank balances and cash	224,819	220,628	161,944
Short term deposits *	119,212	98,941	166,759
Total Bank balances, cash and deposits	344,031	319,569	328,703
Less: Short term deposits with original maturities exceeding 3 months	(32,163)	(25,621)	(32,565)
Less: Bank overdrafts	(72,857)	(66,259)	(62,489)
Total cash and cash equivalents	239,011	227,689	233,649

* Short term deposits are placed for varying periods, depending on the immediate cash requirements of the Group and earn interest at the respective short term deposit rates.

7 TREASURY SHARES

	31 March 2025	<i>(Audited)</i> 31 December 2024	31 March 2024
Number of treasury shares	123,786,106	123,786,106	123,786,106
Percentage of issued shares	4.63%	4.63%	4.63%
Market value in KD 000's	31,194	30,575	80,956

8 INTEREST BEARING LOANS

Interest bearing loans include financing facilities amounting to KD 731,676 thousand (31 December 2024: KD 704,286 thousand and 31 March 2024: KD 727,352 thousand) availed in relation to a funded equity collar arrangement (“collars”). These loans carry fixed interest in line with market rates and are secured against the quoted equity securities to the extent hedged. Current and non-current portions of interest prepaid for this facility amount to KD 23,859 thousand (31 December 2024: KD 22,965 thousand and 31 March 2024: KD 23,717 thousand) and KD 19,467 thousand (31 December 2024: KD 24,480 thousand and 31 March 2024: KD 43,070 thousand) and is reported under ‘other current assets’ and ‘other non-current assets’ respectively.

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9 REVENUE FROM CONTRACTS WITH CUSTOMERS

The following presents the disaggregation of the Group's revenue from contracts with customers:

	<i>Three months ended 31 March</i>	
	<i>2025 KD 000's</i>	<i>2024 KD 000's</i>
Logistics services	93,639	89,654
Rent	20,463	21,902
Ground handling and airport services	200,710	177,808
Others	74,196	46,926
	389,008	336,290
	<i>Three months ended 31 March</i>	
	<i>2025 KD 000's</i>	<i>2024 KD 000's</i>
Timing of revenue recognition		
Goods and services transferred at a point in time	349,369	295,560
Goods and services transferred over time	39,639	40,730
	389,008	336,290
	<i>Three months ended 31 March</i>	
	<i>2025 KD 000's</i>	<i>2024 KD 000's</i>
Geographical markets		
Middle East and Africa	182,696	172,361
America	64,940	66,866
Europe	84,808	64,903
Asia	56,564	32,160
	389,008	336,290

10 TAXATION

	<i>Three months ended 31 March</i>	
	<i>2025 KD 000's</i>	<i>2024 KD 000's</i>
National Labour Support Tax (NLST)	-	492
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)	143	229
Zakat	-	230
Pillar 2 tax*	1,533	-
Taxation on overseas subsidiaries	3,421	2,645
	5,097	3,596

*The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules, under which multinational entities (MNE Group) whose revenue exceeds EUR 750 million are liable to pay corporate income tax at a minimum effective tax rate of 15% in each jurisdiction they operate. Most of the jurisdictions in which the Group operates have enacted the Pillar 2 legislation, of which Kuwait and UAE were most impactful for the Group, since these countries were subject to a lower effective tax rate compared to the proposed global minimum tax. The Group has estimated the domestic minimum top-up tax (DMTT) charge based on the existing OECD guidance and recorded a tax expense of KD 1,533 thousand in the interim condensed consolidated statement of income.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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11 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing profit for the period attributable to equity holders of the Parent Company by the weighted average number of outstanding shares during the period as follows:

	Three months ended 31 March	
	2025	2024
Profit for the period attributable to equity holders of the Parent Company (KD 000's)	11,587	18,691
	Shares	Shares
Number of paid-up shares	2,676,128,586	2,676,128,586
Adjustment for reciprocal holding with an associate	(61,071,877)	(61,071,877)
Weighted average number of treasury shares	(123,786,106)	(123,786,106)
Weighted average number of outstanding shares	2,491,270,603	2,491,270,603
Basic and diluted earnings per share attributable to equity holders of the Parent Company (fil):	4.65	7.50

As there are no outstanding dilutive instruments, the basic and diluted earnings per share are identical.

12 CONTINGENCIES AND CAPITAL COMMITMENTS

The Group has contingencies and capital commitments at the reporting date as follows:

	31 March 2025 KD 000's	(Audited) 31 December 2024 KD 000's	31 March 2024 KD 000's
Letters of guarantee*	280,813	235,425	185,710
Operating lease commitments	1,357	1,586	1,734
Capital commitments	59,652	61,696	47,810
Corporate guarantees**	32,641	98,704	104,869
	374,463	397,411	340,123

*Included in letters of guarantee are bank guarantees of KD 30,651 thousand (31 December 2024: KD 30,651 thousand and 31 March 2024: KD 30,651 thousand), provided by a bank on behalf of the subsidiary "Global Clearing House Systems K.S.C. (Closed)" to the General Administration of Customs in the State of Kuwait. These guarantees are issued by the bank on a non-recourse basis to the Group.

**The Group (Parent Company along with its subsidiary UPAC) and a related party are part of an arrangement to construct and develop a commercial mall in UAE ("project). The Group currently has an equity interest of 19.87% (31 December 2024: 19.87% and 31 March 2024: 19.87%) and has also extended interest bearing loan facilities to the project (Note 13). Further, the Group provided corporate guarantees amounting to KD 32,363 thousand (31 December 2024: KD 98,419 thousand and 31 March 2024: KD 104,587 thousand) to external financial institutions that have provided finance facilities to the project.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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12 CONTINGENCIES AND CAPITAL COMMITMENTS (continued)

Legal claims

(a) Renewal of land leases with Public Authority for Industry, Kuwait (PAI)

Investment properties include certain properties with a carrying value of KD 229,920 thousand that are leased from PAI as described below:

1. 805,712 m2 of land in Sulaibiya area with a carrying value of KD 78,370 thousand leased based on Municipal Council No. (MC /61/6/80) -issued in 1980 – under contract No. 60.
2. 150,000 m2 of land in Sulaibiya area with a carrying value of KD 11,873 thousand leased based on Municipal Council No. (MC / F 21/287/10/99)-issued in 1999 – under contract No. 211.
3. 1,625,000 m2 of land in Mina Abdullah area (plots 3,4 and 5) with a carrying value of KD 66,760 thousand leased based on Municipal Council No. (MC/11/10/78) -issued in 1981 – under contract No. 208.
4. 200,000 m2 of land in Amghara Industrial area with a carrying value of KD 6,946 thousand leased based on Municipal Council No. (L.B./83/10/86) -issued in 1986 – under contract No. 19/2002.
5. 941,420 m2 of land in Doha with a carrying value of KD 28,680 thousand leased in accordance with letter issued by the Council of Ministers No. (11/930-1949) – Issued in 1978 – under contract No. 8/2003.
6. 244,000 m2 of land in Jahra craft expansion area with a carrying value of KD 30,636 thousand.
7. 46,340 m2 of land in Sulaibiya craft expansion with carrying value of KD 6,655 thousand.

The above lands were leased for developing warehousing facilities (both dry and temperature controlled), craft areas, open yards for parking trucks etc.

On 21 November 2022, the Council of Ministers, Kuwait issued a resolution no (1259/12) during its meeting No. (48-3/2022) which decided the following:

- a. No automatic renewal or extension of leases for warehousing and related support services after the expiration of their term. The lands will be leased through public bidding process for qualified companies in conformity with the principles of justice, equality and improvement of governance.
- b. No leasing of any land for storage purposes except after referring and coordinating with the government performance follow-up agency.

Subsequently PAI made a public announcement through news media that was also published in the Official Gazette “Kuwait Al-Youm” under No. 1618 on 15 January 2023 on the termination of the contracts referred to above. The Parent Company issued a warning dated 15 January 2023 to the PAI’s Board of directors, members and to its Director General to respond and deny the content of these announcements. The Parent Company sent another warning to PAI on 25 January 2023 in response to the latter’s warning dated 18 January 2023. The Parent Company filed the following cases in the court of first instance against PAI asserting its position that the leases have been renewed and requested the court to prevent PAI and its affiliates from obstructing the Parent Company’s possession and use of the lands mentioned above.

The Parent Company filed the cases based on the terms of the aforementioned contracts, minutes of meetings, exchanged correspondences and provision of the law applied resolutions in this regard.

1. Case No. 14/2023 Commercial, Civil, Government / 27, regarding contract No. 60 of the Sulaibiya site, with an area of 805,712 m2. The court of first instance dismissed the case on 16 February 2023 rejecting the case. The Parent Company filed the appeal under appeals No. 1480, 1482, 1449 Commercial Appeal, Civil, Government / 10 for the year 2023. A ruling was issued on 15 November 2023 rejecting the appeals and confirming the ruling of the first instance. The Parent Company has challenged this appeal decision and filed Case No. 18/35/38 for the year 2024 cassation commercial /1.

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12 CONTINGENCIES AND CAPITAL COMMITMENTS (continued)

Legal claims (continued)

(a) Renewal of land leases with Public Authority for Industry, Kuwait (PAI) (continued)

2. Case No. 9/2023 Commercial, Civil Government / 28, regarding contract No. 211 of the Sulaibiya site, with an area of 150,000 m2. The first instance court issued a judgment on 18 June 2023 on grounds of lack of jurisdiction and referred the case to the Administrative Department / 2 under no 4155/2023 administrative department /2. On 27 December 2023, the Parent Company appealed the above judgement under Appeal No. 3340/2023 Commercial, Civil, Government / 9. On 14 November 2023 the court of appeal rejected the appeal. The Parent Company filed a new case regarding contract No. 211 of the Sulaibiya site under case no. 622/2024 commercial, Civil Government /23 which is still under examination before the Court of First Instance. On 11 June 2024 a preliminary decision was issued by the Plenary Court to transfer the case to the expert department, which issued its report on October 30, 2024. On 18 February 2025 a decision was issued to put on hold this case until a judgment is made in appeal no. 1247/2024 Commercial Civil Government/4 filed by PAI and scheduled for 30 April 2025. In the same session, the court issued a decision for a re-hearing on 11 June 2025.
3. Case No. 19/2023 Commercial, Civil, Government / 9, regarding contract No. 208 for Mina Abdullah's site, with an area of 1,625,000 m2. On 24 January 2024, the court of first instance delivered its judgement rejecting the main case and in the secondary case to vacate in favor of PAI. The Parent Company appealed the decision of the court of first instance in appeals no. 1119 and 1146 for the year 2024. PAI appealed the same decision in appeal no 1049 for the year 2024 Commercial Appeal, Civil, Government / 2, and on 16 February 2025 a ruling was issued rejecting the appeals and confirming the decision of first instance. The parent company has appealed this decision before the court of cassation in appeal no. 1604 for the year 2025/cassation/Commercial/4 and the PAI has also appealed it in appeal no 1487 for the year 2025 / cassation / commercial/4. And the Company is currently proceeding with the appeal process.
4. Case No. 12/2023 Commercial, Civil, Government / 20, regarding Contract No. 19/2002 for the truck parking site in Amghara Industrial Area, with an area of 200,000 m2. The court of first instance dismissed the case on 28 February 2023. The Parent Company appealed the judgment with appeals Nos. 1613, 1649, 1654, 1663, commercial, civil, government / 5 for the year 2023. On 14 June 2023, a stay order was issued pending a decision on the judges' recusal request No. 13 of 2023 and on 16 July 2023 a decision was issued to reject the recusal request. On 13 March 2024, the court of appeal issued its ruling rejecting the appeal and confirmed the court of first instance ruling. The Parent Company has appealed this decision before the Court of Cassation under appeals No. 2043, 2148, 2211, 2215 for the year 2024 commercial cassation / 7.
5. Case No. 29/2023 Commercial, Civil, Government / 7 regarding contract No. 8/2003, Doha site, with an area of 941,420 m2. The court of first instance on 19 March 2023 ruled in favor of the Parent Company establishing the contractual relationship between The Parent Company and PAI for a period twenty years starting from 1 January 2023 and ending on 31 December 2042 on an area of 941,420 m2 in the Doha area, subject of contract No. 8/2003 dated 12 August 2003 under the same terms and conditions. PAI appealed the judgment in Appeal No. 1762/2023 Commercial, Civil, Government / 1. On 18 June 2023, the Court of Appeal ruled to annul the appealed ruling and dismiss the case. The Parent Company has appealed the ruling before the Court of Cassation under Case No. 3897,3949,4145/ 2023 Commercial Cassation /1.
6. Case No. 10300 of the year 2024 Commercial/Civil/ Government/ 27 filed by The Parent Company requesting the confirmation of the renewal of the lease contract related to Crafts extension in Sulaibiyah is currently with the court of first instance and is scheduled for ruling on 22 May 2025.
7. Case No. 10301 of 2024 Commercial Civil Full Government/19, Jahra craft expansion area. The court of first instance on 23 March 2025, ruled in favour of PAI and required the Parent Company to vacate the site. The Parent Company has appealed this decision in case No. 2040 for the year 2025 appeal/commercial/ civil/government/2 and is scheduled for the first hearing on 14 May 2025. In the same session, the appeal scheduled for judgment on 25 June 2025

The PAI also filed claims against the Parent Company in respect of contracts No. 208 for Mina Abdullah site, and Contract No. 211 for the Sulaibiya site, No. 8 for the Doha site and No. 60 for the Sulaibiya warehouses site.

Pending final outcome of the above litigations, the Group's management was unable to determine the fair value of the subject investment properties as at 31 March 2025.

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As at and for the period ended 31 March 2025

12 CONTINGENCIES AND CAPITAL COMMITMENTS (continued)

Legal claims (continued)

(b) NAS Afghanistan vs Afghanistan Civil Aviation Authority, Afghanistan Ministry of Transportation and Civil Aviation and Ariana Afghan Airlines Co. Ltd. (ICC Case No. 2580/AYZ/ELU1)

National Aviation Services, Afghanistan (NAS), a subsidiary of the Parent Company filed a Notice of Arbitration in the above matter in November 2020. The claims involve the Respondents': (i) failure to enforce NAS' exclusive right to render ground handling services at Afghan airports; (ii) unlawful termination of the subject concession agreement; (iii) seizure and expropriation of the NAS' equipment and operations; and (iv) illegal encashment of a performance guarantee. An arbitral tribunal was constituted comprising Professor Dr. Mohamed S. Abdel Wahab, Laurence Shore and Caline Mouawad (President). Following a hearing on the merits the Tribunal issued its Award dated 16 December 2022 in NAS' favour and awarding NAS damages, inclusive of attorneys' fees and arbitration costs, of approximately US\$27.7 million plus post-Award interest accruing annually at a rate of LIBOR + 2%. NAS has recently obtained an "Ex Parte" order from the UK court made without notice to Ariana Afghan Airlines Co. Ltd. as Defendant entering judgment in the terms of the ICC Award and granting NAS leave to enforce the ICC Award (so far as applicable against Ariana Afghan Airlines Co. Ltd) in the same manner as a judgment or order of the Court; this order has been served on Ariana Afghan Airlines Co. Ltd and is now enforceable. NAS' external counsel is advising the Company on the enforcement proceedings.

Pending final outcome of the enforcement proceedings and the uncertainties on the timing and determination of the amount of recovery, the Group's management has not considered any adjustment in the interim condensed consolidated financial information.

(c) Guarantee encashment

A resolution was issued by the General Administration of Customs for Kuwait ("GAC") to cash a portion, amounting to KD 10,092 thousand of the bank guarantee submitted by Global Clearing House Systems K.S.C. (Closed) ("GCS"), a subsidiary of the Parent Company, in favour of GAC in relation to performance of a contract. Pursuant to this resolution, GAC called the above guarantee during the year ended 31 December 2007.

GCS appealed the above resolution at the Court of First Instance and the latter issued its judgment in favour of GCS and ordered GAC to pay an amount of KD 58,927 thousand as compensation against the non-performance of its obligations under the contract, and KD 9,138 thousand towards refunding of the guarantee encashed earlier, together with an interest of 7% per annum on these amounts to be calculated from the date the judgment becomes final.

GCS appealed the judgment in Appeal number 1923 for the year 2014 administration /4, before the Court of Appeal requesting an increase in compensation. GAC also filed an appeal No. 1955 / 2014 Administrative 4 before the Court of Appeal. On 13 September 2015, the Court of Appeal pronounced its judgement affirming the decision of the Court of First Instance. Both GCS and GAC appealed against this ruling before the Kuwait Court of Cassation in appeals No. 1480, 1487 for the year 2015. On 25 September 2019, the Court of Cassation resolved to defer the appeal to the experts. On 24 May 2021, the experts committee issued a report affirming GCS's right for the claimed compensation.

On 11 May 2022, this matter was finally resolved with the issuance of this judgment in respect of Appeals by Cassation No. 1480 and 1487 for year 2015, Administrative/4 before the Court of Cassation, where the court ordered the GAC to refund an amount of KD 5,561 thousand to GCS out of the original principal of encashed guarantee. The said appeals by Cassation resolved, otherwise, to uphold the appealed judgment, which ordered the second defendant, "the Director General of the General Administration of Customs in his capacity," to pay to the plaintiff "GCS" an amount of KD 58,927 thousand, thus making the total receivable KD 64,488 thousand in addition to the legal interest of 7% annually on both amounts from the date this judgment becomes final.

Accordingly the Parent Company and GCS recognized an amount of KD 64,488 thousand in the prior year representing the receivable as per the above rulings in favor of GCS (KD 58,927 thousand and KD 5,561 thousand as mentioned above).

The amount of interest in respect of the aforementioned amounts is currently not quantifiable and hence not recorded in the interim condensed consolidated financial information.

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INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

12 CONTINGENCIES AND CAPITAL COMMITMENTS (continued)

Legal claims (continued)

(d) Legal cases with GAC - Appeals no. 1927 and 1933 for the year 2018

Further, in respect of an ongoing dispute between GCS and GAC on which there were claims filed by both parties against each other relating to project management mechanisms in the ports, GCS filed Case No. 760/2014 Administrative/6 against the GAC requesting the delegation of experts from the Ministry of Justice to view the IT system at the GAC to indicate the amount of vehicle handling fees. GAC filed a counterclaim requesting that GCS complies with the price list attached to the contract.

GAC also filed case No. 4242/2014 Administrative/6 against GCS with a request to establish a project mechanism development fund, for GCS to pay the customs authority an amount of KD 500 thousand for developing project mechanisms at customs ports on a periodic basis, and to oblige GCS to pay the customs an amount of KD 21,242 thousand for the fines owed by GCS as of 9 February 2005, as well as an amount of KD 50 thousand for the annual allocation to the fund.

GAC also filed several lawsuits that were joined to the cases filed by GCS which are as follows:

Case No. 4246/2014 Administrative/6 against GCS requesting it to pay the customs an amount of KD 1,805 thousand as differential payments due for the project manager's fees from August 2006 to August 2011, obliging GCS to pay the customs an amount of KD 2,025 thousand as differences due to the project manager's fees for the period from August 2011 to August 2014, obliging GCS to pay the customs an amount of KD 42,991 thousand for the differences due as of 9 February 2005 as a result of its failure to pay the project manager's fees, with a cumulative delay fine of 1% per week, and obliging GCS to make monthly payments due for the project manager's fees until the end of the contract.

Case No. 2738/2014 Administrative/6 against GCS with a request to oblige it to pay customs an amount of KD 5,853 thousand as differences in payments due for the project manager's fees from August 2006 to October 2010 with a cumulative delay fine and legal interest at the rate of 7% annually; and Case No. 3276/2015 Administrative/6 filed by the Director General of the General Administration of Customs with the same requests under Case No. 4242/2014 Administrative/6; and Case No. 3280/2015 Administrative/6 filed by the Director General of the General Administration of Customs with the same requests contained in Case No. 4246/2014 Administrative/6.

All these cases were joined together to hand down a single judgment for all of them. On 25 September 2018, the judgment was issued dismissing all cases.

The judgment was appealed by both GCS and GAC under appeals No. 1927 and 1933/2018, Contracts Administration and Individual Appeals/2. On 26 September 2022 the court ruled, First: the litigation ended in the first appeal, and the appellant company is obliged to pay the expenses and KD 10 as attorney fees; Second: accepting the second appeal in form, and in substance, cancelling the appealed judgment with regard to what was included in its judgment under requests one to four, and oblige the appellee to set up the project development fund, subject of the Bidding Contract No. A/S.M./1/2004/2005, subject of the litigation, and pay the appealing administration an amount of KD 12,443 thousand, and rejecting the appeal and upholding the appealed judgment with respect to other requests.

GCS appealed this judgment before the court of cassation in appeal No. 3995 for the year 2022 Cassation, Administrative/1 and requested to cancel the ruling and reject the case. The appeal also included a request for a stay of execution until the appeal is resolved. GAC also appealed this judgement in appeal No. 4023 for the year 2022 and requested to increase the value of the compensation. During the hearing scheduled for 12 April 2023, the Court of Cassation considered the request to stay the enforcement, and resolved to stay the enforcement of the judgment until the appeal is resolved. The Parent Company and GCS (after consulting the external counsel) have resolved not to record any provision pending final ruling by the court of cassation.

In addition to the above, there are other legal disputes between GCS and GAC. Both the parties have filed various claims and counter claims that are currently pending in the courts. The legal counsel of the Group believes that these matters will not have a material adverse effect on the Group's interim condensed consolidated financial information.

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As at and for the period ended 31 March 2025

12 CONTINGENCIES AND CAPITAL COMMITMENTS (continued)

Legal claims (continued)

(e) ICS Claims Against Argentina

On July 21, 2014, ICS Inspection and Control Services Limited, a subsidiary of the Parent Company, filed a notice of arbitration against the Argentine Republic ("the Respondent") regarding the Respondent's breach of its obligations under Article 2 of the bilateral treaty between the United Kingdom and Argentina in connection to an agreement entered into between the Claimant and Argentina's Ministry of Economy and Public Finances, formerly known as the Ministry of Economy and Public Works and Services ("MECON") on March 11, 1998. This agreement concerned services provided by ICS as part of a government-supervised program under which goods intended for import into Argentina would be inspected before being shipped to Argentina. ICS thereby sought compensation for the losses incurred due to the alleged breaches of the bilateral investment treaty.

On 29 April 2024, the tribunal awarded compensation to ICS for an amount of USD 165.9 million, being USD 9.7 million as principal award in addition to interest. Consequently, the Group will pursue enforcement of the award against the Respondent.

On 29 May 2024, Argentina filed an application to correct a computation error in the Final Award under Article 38 of the 2010 UNCITRAL Rules. The computation error results in the principal amount due to ICS being reduced by USD 46 thousand. With the interest, the correction reduces the amount of compensation due to ICS as at the date of the Award by USD 723.8 thousand to USD 165.1 million. ICS did not object to the correction of the computation error. On 12 July 2024, the Tribunal issued its Decision confirming the correction of the computation filed by Argentina.

On 4 December 2024, Argentina initiated proceedings against ICS in the Dutch courts, seeking annulment of the Award under applicable Dutch arbitration law. ICS is contesting Argentina's annulment application. Judgment of the Dutch District Court is expected in early 2026. The judgment may be subject to further appeal to the Dutch Court of Appeal and Supreme Court.

Pending final outcome of the enforcement proceedings and the uncertainties on the timing and determination of the amount of recovery, the Group's management has not considered any adjustment in the interim condensed consolidated financial information.

(f) Contract with the Public Authority of Industry ("PAI") for stage 5 land located in South Amghara area

The contract pertains to a lease agreement between the Parent Company and the Public Authority for Industry (PAI) for stage 5 land in the South Amghara area, covering a land area of 427,164 m². The lease expired on April 7, 2020, following which PAI initiated legal proceedings to reclaim the land. The Court of First Instance ruled in favor of PAI on April 20, 2021, confirming the requirement for the parent company to vacate the premises.

Both PAI and the Parent Company appealed the decision before the Court of Appeals. In its rulings the Court of Appeals upheld the order for the parent company to vacate the site and mandated the payment of KD 11,793 thousand as compensation for the land's use from 8 April 2020, to 3 November 2024. The Parent Company paid KD 2,654 thousand during the prior year and KD 9,139 thousand during March 2025 based on the above judgement.

The Parent Company filed an appeal with the Court of Cassation, contesting the method used by the Court of Appeals to calculate the compensation.

In addition to the above, the Group is involved in various incidental claims and legal proceedings. The legal counsel of the Group believes that these matters will not have a material adverse effect on the interim condensed consolidated financial Information.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

13 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent major shareholders, associates and joint ventures, directors and key management personnel of the Group, and entities which they control or over which they exert significant influence. Pricing policies and terms of these transactions are approved by the Group's management. Transactions and balances with related parties are as follows:

			Three months ended 31 March		
	Major shareholders KD 000's	Other related parties KD 000's	2025 Total KD 000's	2024 Total KD 000's	
Interim condensed consolidated statement of income					
Revenues	-	3,245	3,245	2,957	
Cost of revenues	-	(22,249)	(22,249)	(11,344)	
General and administrative expenses	-	(197)	(197)	(99)	
Share of results of associates and joint ventures	(316)	3,731	3,415	480	
Interest income	-	1,314	1,314	58	
Miscellaneous income	-	272	272	(47)	
	Major shareholders KD 000's	Other related parties KD 000's	31 March 2025 Total KD 000's	(Audited) 31 December 2024 Total KD 000's	31 March 2024 Total KD 000's
Interim condensed consolidated statement of financial position					
Investment in associates and joint ventures	15,450	129,554	145,004	143,053	143,573
Financial assets at fair value through profit or loss	-	113,548	113,548	113,432	113,158
Financial assets at fair value through other comprehensive income	-	1,982	1,982	1,982	11,241
Trade receivables	-	13,408	13,408	9,544	8,426
Amounts due from related parties	-	1,411	1,411	1,412	1,292
Loans to related parties – non current	-	229,530	229,530	252,154	232,935
Loan to a related party - current	-	68,196	68,196	-	-
Loan to an associate (Note 4)	-	35,818	35,818	35,811	35,755
Amounts due to related parties	-	-	-	-	21,200
Other non-current liabilities	-	8,353	8,353	7,678	-
Trade and other payables	-	11,195	11,195	10,769	-

Loans to related parties – non current include KD 223,576 thousand (31 December 2024: KD 248,531 thousand and 31 March 2024: KD 222,132 thousand) provided to a joint venture representing 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 and can be converted to equity in the project after completion of construction subject to the project achieving certain operational targets and upon the discretion of the Group.

Loan to a related party – current represents interest bearing short term facility extended by a subsidiary of the Group to a joint venture.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

13 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Compensation of key management personnel

The remuneration of board of directors and other members of key management (executives) during the period were as follows:

	<i>Three months ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>
Short-term benefits (key management)	177	194
Accrual for committees services (board of directors)	88	88
Accrual for remuneration to board of directors	88	88
	<u>353</u>	<u>370</u>

14 DIVIDEND

On 27 March 2025, the Board of Directors of the Parent Company recommended distribution of cash dividend of 10 fils (2023:10 fils) for the year ended 31 December 2024. This proposal is subject to the approval by the shareholders at the Annual General Assembly of the Parent Company.

15 SEGMENT INFORMATION

The Group determined the following as its major operating segments:

Controlled entities:

This segment comprises of business units that are controlled by the Group and hence consolidated in its interim condensed financial information. The entities that are part of this segment provides services that include real estate, fuel logistics, airplane ground handling, fuelling and cleaning services, cargo and lounge management, customs operations and management, construction and remote site services, customs consulting and waste recycling.

Investments:

The segment comprises of business units that holds the Group's non-controlling interests in various sectors. These investments comprise of both listed and unlisted equity securities and convertible loans.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

15 SEGMENT INFORMATION (continued)

Three months ended 31 March 2025	<i>Controlled entities KD 000's</i>	<i>Investments KD 000's</i>	<i>Total KD 000's</i>
Revenues	389,008	-	389,008
Profit before interest, taxation, depreciation, amortisation and Directors' remuneration (EBITDA)	66,054	1,543	67,597
Depreciation	(24,882)	-	(24,882)
Amortisation	(2,099)	-	(2,099)
Profit before interest, taxation and directors' remuneration (EBIT)	39,073	1,543	40,616

Key components of controlled entities:

Three months ended 31 March 2025	<i>Aviation services KD 000's</i>	<i>Fuel logistics KD 000's</i>	<i>Others KD 000's</i>	<i>Total KD 000's</i>
Revenues	200,268	104,838	83,902	389,008
Results				
Profit before interest, taxation, depreciation, amortisation and directors' remuneration (EBITDA)	26,556	18,393	21,105	66,054
Three months ended 31 March 2024	<i>Controlled entities KD 000's</i>	<i>Investments KD 000's</i>	<i>Total KD 000's</i>	
Revenues	336,290	-	336,290	
Profit before interest, taxation, depreciation, amortisation and Directors' remuneration (EBITDA)	68,142	1,100	69,242	
Depreciation	(21,135)	-	(21,135)	
Amortisation	(2,118)	-	(2,118)	
Profit before interest, taxation and Directors' remuneration (EBIT)	44,889	1,100	45,989	

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

15 SEGMENT INFORMATION (continued)

Key components of controlled entities:

Three months ended 31 March 2024	<i>Aviation services KD 000's</i>	<i>Fuel logistics KD 000's</i>	<i>Others KD 000's</i>	<i>Total KD 000's</i>
Revenues	177,459	77,252	81,579	336,290
Results				
Profit before interest, taxation, depreciation, amortisation and directors' remuneration (EBITDA)	25,407	19,770	22,965	68,142

The Group's financing (including interest income and finance costs) and taxation is managed on a Group basis and are not allocated to operating segments.

The following table presents segment assets and liabilities of the Group's operating segments as at 31 March 2025, 31 December 2024 and 31 March 2024.

	<i>Controlled entities KD 000's</i>	<i>Investments KD 000's</i>	<i>Adjustments and eliminations KD 000's</i>	<i>Total KD 000's</i>
As at 31 March 2025				
Total assets	3,641,942	1,743,725	(1,193,592)	4,192,075
Total liabilities	1,513,336	1,907,522	(1,202,294)	2,218,564
Other disclosures:				
Goodwill	265,587	-	-	265,587
Intangible assets	85,749	-	-	85,749
Capital expenditure *	16,556	-	-	16,556

Key components of controlled entities:

As at 31 March 2025	<i>Aviation services KD 000's</i>	<i>Fuel logistics KD 000's</i>	<i>Others KD 000's</i>	<i>Total KD 000's</i>
Total assets	800,379	587,055	2,254,508	3,641,942
Total liabilities	773,624	346,884	392,828	1,513,336
Other disclosures:				
Goodwill	236,127	6,253	23,207	265,587
Intangible assets	63,426	21,520	803	85,749
Capital expenditure *	3,696	2,664	10,196	16,556

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15 SEGMENT INFORMATION (continued)

	<i>Controlled entities KD 000's</i>	<i>Investments KD 000's</i>	<i>Adjustments and eliminations KD 000's</i>	<i>Total KD 000's</i>
<i>As at 31 December 2024 (Audited)</i>				
Total assets	3,515,412	1,850,588	(1,169,607)	4,196,393
Total liabilities	1,430,951	1,902,211	(1,180,518)	2,152,644
<i>Other disclosures:</i>				
Goodwill	266,794	-	-	266,794
Intangible assets	86,008	-	-	86,008
Capital expenditure *	68,400	-	-	68,400
Change in fair value of investment properties	9,203	-	-	9,203
Key components of controlled entities:				
<i>As at 31 December 2024 (Audited)</i>	<i>Aviation services KD 000's</i>	<i>Fuel logistics KD 000's</i>	<i>Others KD 000's</i>	<i>Total KD 000's</i>
Total assets	794,314	569,396	2,151,702	3,515,412
Total liabilities	773,117	334,038	323,796	1,430,951
<i>Other disclosures:</i>				
Goodwill	236,626	6,961	23,207	266,794
Intangible assets	64,483	21,411	114	86,008
Capital expenditure *	20,974	20,529	26,897	68,400
Change in fair value of investment properties	-	-	9,203	9,203
<i>As at 31 March 2024</i>	<i>Controlled entities KD 000's</i>	<i>Investments KD 000's</i>	<i>Adjustments and eliminations KD 000's</i>	<i>Total KD 000's</i>
Total assets	3,262,271	1,638,786	(1,041,513)	3,859,544
Total liabilities	2,082,077	1,728,698	(1,030,631)	2,780,144
<i>Other disclosures:</i>				
Goodwill	260,758	-	-	260,758
Intangible assets	92,789	-	-	92,789
Capital expenditure *	(18,400)	-	-	(18,400)

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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15 SEGMENT INFORMATION (continued)

Key components of controlled entities:

<i>As at 31 March 2024</i>	<i>Aviation services KD 000's</i>	<i>Fuel logistics KD 000's</i>	<i>Others KD 000's</i>	<i>Total KD 000's</i>
Total assets	815,522	497,689	1,949,060	3,262,271
Total liabilities	772,842	269,752	1,039,483	2,082,077
<i>Other disclosures:</i>				
Goodwill	228,986	8,209	23,563	260,758
Intangible assets	68,623	23,591	575	92,789
Capital expenditure *	(5,223)	(4,236)	(8,941)	(18,400)

* Capital expenditure consists of additions to property, plant and equipment, projects in progress and investment properties.

Other geographic information

The following presents information regarding the Group's non-current assets based by geographical segments determined based on the geographic locations of the legal entities forming part of the Group.

	<i>31 March 2025 KD 000's</i>	<i>(Audited) 31 December 2024 KD 000's</i>	<i>31 March 2024 KD 000's</i>
Non-current assets			
Middle east and Africa	1,590,661	1,575,227	1,546,625
Asia	70,763	70,423	64,977
Europe	72,808	76,673	50,957
America	109,946	111,254	172,716
	1,844,178	1,833,577	1,835,275

Non-current assets for this purpose consists of property, plant and equipment, projects in progress, right-of-use assets, investment properties, intangible assets, goodwill, other non-current assets, loan to related parties and loan to associate.

16 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date.

Determination of fair value and fair value hierarchy:

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

Agility Public Warehousing Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

16 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair value hierarchy: (continued)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total fair value KD'000
31 March 2025				
Financial assets measured at fair value through profit or loss				
Investment in an associate	-	-	111,973	111,973
Quoted equity securities	2,355	-	-	2,355
Treasury bills	-	-	10,241	10,241
Unquoted equity securities	-	-	21	21
Investment in funds	-	1,710	-	1,710
Loans to related parties	-	-	223,576	223,576
Loan to an associate	-	-	35,818	35,818
	<u>2,355</u>	<u>1,710</u>	<u>381,629</u>	<u>385,694</u>
Financial assets measured at fair value through other comprehensive income				
Quoted equity securities	1,151,283	-	-	1,151,283
Treasury bills	-	-	714	714
Unquoted equity securities	-	-	21,526	21,526
	<u>1,151,283</u>	<u>-</u>	<u>22,240</u>	<u>1,173,523</u>
Derivative financial assets				
Forward foreign exchange contracts	-	112	-	112
Equity collars	-	36,831	-	36,831
	<u>-</u>	<u>36,943</u>	<u>-</u>	<u>36,943</u>
	<u><u>1,153,638</u></u>	<u><u>38,653</u></u>	<u><u>403,869</u></u>	<u><u>1,596,160</u></u>
	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total fair value KD'000
31 December 2024 (Audited)				
Financial assets measured at fair value through profit or loss				
Investment in an associate	-	-	111,951	111,951
Quoted equity securities	4,357	-	-	4,357
Treasury bills	-	-	9,762	9,762
Unquoted equity securities	-	-	21	21
Investment in funds	-	1,622	-	1,622
Loans to related parties	-	-	248,531	248,531
Loan to an associate	-	-	35,811	35,811
	<u>4,357</u>	<u>1,622</u>	<u>406,076</u>	<u>412,055</u>
Financial assets measured at fair value through other comprehensive income				
Quoted equity securities	1,272,114	-	-	1,272,114
Treasury bills	-	-	714	714
Unquoted equity securities	-	-	21,078	21,078
	<u>1,272,114</u>	<u>-</u>	<u>21,792</u>	<u>1,293,906</u>

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16 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair value hierarchy: (continued)

Derivative financial assets (liabilities)

Forward foreign exchange contracts	-	30	-	30
Equity collars	-	(41,966)	-	(41,966)
	-	(41,936)	-	(41,936)
	1,276,471	(40,314)	427,868	1,664,025
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total fair value</u>
	<u>KD'000</u>	<u>KD'000</u>	<u>KD'000</u>	<u>KD'000</u>
31 March 2024				
<i>Financial assets measured at fair value through profit or loss</i>				
Investment in an associate	-	-	111,774	111,774
Quoted equity securities	2,945	-	-	2,945
Treasury Bills	-	-	7,590	7,590
Unquoted equity securities	-	-	21	21
Investment in funds	-	1,384	-	1,384
Loans to related parties	-	-	222,132	222,132
Loan to an associate	-	-	35,755	35,755
	2,945	1,384	377,272	381,601
<i>Financial assets measured at fair value through other comprehensive income</i>				
Quoted equity securities	964,802	-	-	964,802
Unquoted securities	-	-	29,825	29,825
	964,802	-	29,825	994,627
<i>Derivative financial assets (liabilities)</i>				
Forward foreign exchange contracts	-	(336)	-	(336)
Equity collars	-	85,247	-	85,247
	-	84,911	-	84,911
	967,747	86,295	407,097	1,461,139

There were no transfers between the fair value hierarchies during the period.

The Group's management was unable to determine the fair value of the investment in an associate and the recoverability of interest bearing loan as at 31 March 2025, 31 December 2024 and 31 March 2024 due to certain inherent uncertainties and accordingly the investment and related loan is carried at its fair value as at 31 December 2013 (Note 4).

Fair values of unquoted equity securities classified as fair value through other comprehensive income are determined using valuation techniques that are not based on observable market prices or rates.

The fair value of the collars has been determined based on the Black Scholes model for which key inputs include risk free rate, strike price for the put and call options, spot price of the equity security and volatility of the put and call options.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

16 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair value hierarchy: (continued)

The following table below shows a reconciliation of the opening and the closing amount of level 3 financial assets measured at fair value:

	31 March 2025 KD'000	(Audited) 31 December 2024 KD'000	31 March 2024 KD'000
As at 1 January	427,868	396,010	396,010
Change in fair value recognised in consolidated statement of income	478	4,746	1,877
Re-measurement recognised in interim condensed consolidated statement of other comprehensive income	-	(13,548)	-
Others including net purchases (sales), transfer and exchange difference	(24,477)	40,660	9,210
As at the reporting date	403,869	427,868	407,097

17 SUBSEQUENT EVENT

On 14 April 2025, a subsidiary of the Parent company signed an agreement to acquire 100% equity in G2 Secure Staff, a US based aviation services provider for an estimated total consideration of USD 315 million. The transaction is expected to close by the end of June 2025 subject to regulatory approvals.