

**Munshaat Real Estate Projects  
Company K.S.C.P. and its Subsidiaries**

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

**31 MARCH 2025**



**Shape the future  
with confidence**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF MUNSHAAT REAL ESTATE PROJECTS COMPANY K.S.C.P.**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Munshaat Real Estate Projects 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 profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month 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 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### ***Scope of Review***

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

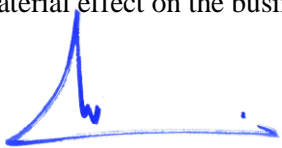
### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

### ***Report on Other Legal and Regulatory Requirements***

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the three months period ended 31 March 2025 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority (“CMA”) and organisation of security activity and its executive regulations, as amended, during the three-month period ended 31 March 2025 that might have had a material effect on the business of the Parent Company or on its financial position.



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

8 May 2025  
Kuwait

Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
(UNAUDITED)**

For the period ended 31 March 2025

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		<i>2025</i>	<i>2024</i>
		<i>KD</i>	<i>KD</i>
Operating revenue	4	<b>5,452,559</b>	4,732,096
Operating costs	4	<b>(3,266,121)</b>	(3,034,902)
<b>Net results from hotel operations</b>		<b>2,186,438</b>	1,697,194
Management fees	8	<b>205,009</b>	164,042
Net income from Sukouk		<b>444,591</b>	551,914
Net income from investment properties	6.b	<b>301,223</b>	315,859
Income from wakala receivables		<b>25,231</b>	509
Unrealised gain from financial assets at fair value through profit or loss		<b>26,311</b>	13,704
Share of results of associates	7	<b>1,409,573</b>	1,044,663
Dividend income		-	10,320
Other income		<b>172,625</b>	-
General and administrative expenses		<b>(290,385)</b>	(268,512)
Depreciation of furniture and equipment		<b>(13,202)</b>	(14,569)
Finance costs on Islamic finance payables	8	<b>(450,352)</b>	(542,541)
Finance costs on lease obligations		<b>(208,677)</b>	(214,590)
Finance costs arising on the unwinding of discount on long-term provisions and liabilities		<b>(46,966)</b>	(91,325)
Net foreign exchange differences		<b>37,905</b>	48,180
Net reversal of (allowance for) provision for expected credit losses		<b>859</b>	(54,013)
<b>PROFIT BEFORE TAX</b>		<b>3,800,183</b>	2,660,835
Overseas taxation		<b>(86)</b>	(6,148)
KFAS		<b>(26,298)</b>	-
National Labour Support Tax ("NLST")		<b>(76,525)</b>	(50,321)
Zakat		<b>(30,610)</b>	(20,129)
<b>PROFIT FOR THE PERIOD</b>		<b>3,666,664</b>	2,584,237
<b>Attributable to:</b>			
Equity holders of the Parent Company		<b>3,320,085</b>	2,417,709
Non-controlling interests		<b>346,579</b>	166,528
<b>PROFIT FOR THE PERIOD</b>		<b>3,666,664</b>	2,584,237
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY</b>	5	<b>10.31 Fils</b>	7.51 Fils

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

Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2025

	<i>Three months ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
<b>PROFIT FOR THE PERIOD</b>	<b>3,666,664</b>	<b>2,584,237</b>
<b>Other comprehensive income (loss)</b>		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(23,487)	(91,455)
<b>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods</b>	<b>(23,487)</b>	<b>(91,455)</b>
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Net gain (loss) on equity instruments at FVOCI	103,963	(4,457)
<b>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods</b>	<b>103,963</b>	<b>(4,457)</b>
<b>Other comprehensive income (loss) for the period</b>	<b>80,476</b>	<b>(95,912)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>3,747,140</b>	<b>2,488,325</b>
<b>Attributable to:</b>		
Equity holders of the Parent Company	3,410,488	2,344,718
Non-controlling interests	336,652	143,607
	<b>3,747,140</b>	<b>2,488,325</b>

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

# Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2025

		31 March 2025 KD	(Audited) 31 December 2024 KD	31 March 2024 KD
	Notes			
<b>ASSETS</b>				
<b>Non-current assets</b>				
Furniture and equipment		180,257	193,437	226,028
Right-of-use asset	6.a	41,451,148	42,163,382	43,773,341
Investment properties	6.b	11,933,710	11,995,360	12,065,500
Investment in associates	7	15,581,867	14,169,991	17,324,617
Investment securities		569,565	491,996	777,704
		<u>69,716,547</u>	<u>69,014,166</u>	<u>74,167,190</u>
<b>Current assets</b>				
Accounts receivable and prepayments	8	9,934,384	7,929,583	4,210,919
Trading properties		376,454	376,454	547,729
Wakala receivable		650,000	600,000	600,000
Bank balances and cash		7,366,158	7,091,211	9,007,794
		<u>18,326,996</u>	<u>15,997,248</u>	<u>14,366,442</u>
<b>TOTAL ASSETS</b>		<u><u>88,043,543</u></u>	<u><u>85,011,414</u></u>	<u><u>88,533,632</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	9	32,200,000	32,200,000	32,200,000
Other reserve		(309,291)	(309,291)	(309,291)
Fair value reserve		(1,871,503)	(1,975,466)	(1,945,294)
Foreign currency translation reserve		(535,654)	(522,094)	(464,354)
Retained earnings/ (Accumulated losses)		3,153,319	(166,766)	(3,651,791)
<b>Equity attributable to equity holders of the Parent Company</b>		<u>32,636,871</u>	<u>29,226,383</u>	<u>25,829,270</u>
Non-controlling interests		<u>(9,841,699)</u>	<u>(10,178,351)</u>	<u>(10,680,236)</u>
<b>Total equity</b>		<u>22,795,172</u>	<u>19,048,032</u>	<u>15,149,034</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		785,619	764,698	699,016
Islamic finance payables	10	27,985,100	27,985,100	32,721,040
Obligations under finance lease		12,968,771	12,756,762	13,427,588
Accounts payable and accruals		4,666,693	4,662,153	7,522,706
		<u>46,406,183</u>	<u>46,168,713</u>	<u>54,370,350</u>
<b>Current liabilities</b>				
Islamic finance payables	10	4,735,940	4,735,940	4,735,940
Obligations under finance lease		1,351,840	1,350,560	1,347,520
Accounts payable and accruals		12,754,408	13,708,169	12,930,788
		<u>18,842,188</u>	<u>19,794,669</u>	<u>19,014,248</u>
<b>Total liabilities</b>		<u>65,248,371</u>	<u>65,963,382</u>	<u>73,384,598</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>88,043,543</u></u>	<u><u>85,011,414</u></u>	<u><u>88,533,632</u></u>

Nawaf Musaid Abdulaziz Al-Osaimi  
Chairman

Eisa Najib Abdulmohsen Al Eisa  
Chief Executive Officer

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

# Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2025

	<i>Equity attributable to equity holders of the Parent Company</i>						<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>Share capital</i> <i>KD</i>	<i>Other reserve</i> <i>KD</i>	<i>Fair value reserve</i> <i>KD</i>	<i>Foreign currency translation reserve</i> <i>KD</i>	<i>Retained earnings/ (Accumulated losses)</i> <i>KD</i>	<i>Sub-total</i> <i>KD</i>	<i>KD</i>	<i>KD</i>
As at 1 January 2025 (Audited)	32,200,000	(309,291)	(1,975,466)	(522,094)	(166,766)	29,226,383	(10,178,351)	19,048,032
Profit for the period	-	-	-	-	3,320,085	3,320,085	346,579	3,666,664
Other comprehensive income (loss) for the period	-	-	103,963	(13,560)	-	90,403	(9,927)	80,476
Total comprehensive income (loss) for the period	-	-	103,963	(13,560)	3,320,085	3,410,488	336,652	3,747,140
<b>At 31 March 2025</b>	<b>32,200,000</b>	<b>(309,291)</b>	<b>(1,871,503)</b>	<b>(535,654)</b>	<b>3,153,319</b>	<b>32,636,871</b>	<b>(9,841,699)</b>	<b>22,795,172</b>
As at 1 January 2024 (Audited)	32,200,000	(309,291)	(1,940,837)	(395,820)	(6,069,500)	23,484,552	(10,187,301)	13,297,251
Profit for the period	-	-	-	-	2,417,709	2,417,709	166,528	2,584,237
Other comprehensive loss for the period	-	-	(4,457)	(68,534)	-	(72,991)	(22,921)	(95,912)
Total comprehensive (loss) income for the period	-	-	(4,457)	(68,534)	2,417,709	2,344,718	143,607	2,488,325
Changes in NCI arising from capital redemption in a subsidiary*	-	-	-	-	-	-	(636,542)	(636,542)
<b>At 31 March 2024</b>	<b>32,200,000</b>	<b>(309,291)</b>	<b>(1,945,294)</b>	<b>(464,354)</b>	<b>(3,651,791)</b>	<b>25,829,270</b>	<b>(10,680,236)</b>	<b>15,149,034</b>

\* In the prior year, the Parent Company approved, in its meeting held on 7 March 2024, the redemption of capital previously contributed by the venturers of Al Safwa Joint Venture ("Safwa JV") amounting to KD 1,060,903. As a result, a reduction in non-controlling interests of KD 636,542 was recognised in equity, in accordance with IFRS 10, reflecting the change in ownership interest without loss of control.

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

# Munshaat Real Estate Projects 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	
	Notes	2025 KD	2024 KD
<b>OPERATING ACTIVITIES</b>			
Profit before tax		3,800,183	2,660,835
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation of right-of-use asset	6	762,316	746,473
Valuation loss on investment properties	6	61,650	40,900
Unrealised gain from financial assets at fair value through profit or loss		(26,311)	(13,704)
Net (reversal of) allowance for provision for expected credit losses		(859)	54,013
Income from wakala receivables		(25,231)	(509)
Share of results of associates	7	(1,409,573)	(1,044,663)
Depreciation of furniture and equipment		13,202	14,569
Dividend income		-	(10,320)
Finance costs on Islamic finance payables	8	450,352	542,541
Finance costs on lease obligations		208,677	214,590
Finance costs arising on the unwinding of discount on long-term provisions and liabilities		46,966	91,325
Net foreign exchange differences		(37,905)	(48,180)
Provision for employees' end of service benefits		20,920	19,488
		<b>3,864,387</b>	<b>3,267,358</b>
<i>Working capital changes:</i>			
Accounts receivable and prepayments		(2,003,942)	900,028
Accounts payable and accruals		(1,571,679)	(1,027,086)
<b>Cash flows from operations</b>		<b>288,766</b>	<b>3,140,300</b>
Employees' end of service benefits paid		-	(17,423)
<b>Net cash flows from operating activities</b>		<b>288,766</b>	<b>3,122,877</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of furniture and equipment		(535)	(568)
Additions to right-of-use asset	6	(27,254)	(8,101)
Income received from wakala receivables		18,334	509
Dividend income received		-	10,320
Net movement in wakala receivables		(50,000)	(600,000)
Proceeds from capital redemption of financial assets at FVOCI		52,705	97,971
<b>Net cash flows used in investing activities</b>		<b>(6,750)</b>	<b>(499,869)</b>
<b>FINANCING ACTIVITIES</b>			
Net repayment of obligations under finance lease		(9,000)	(12,708)
Payment of prior years' dividends		-	(250)
<b>Net cash flows used in financing activities</b>		<b>(9,000)</b>	<b>(12,958)</b>
<b>NET INCREASE IN BANK BALANCES AND CASH</b>		<b>273,016</b>	<b>2,610,050</b>
Net foreign exchange difference		1,931	703
Bank balances and cash 1 January		7,091,211	6,397,041
<b>BANK BALANCES AND CASH AT 31 MARCH</b>		<b>7,366,158</b>	<b>9,007,794</b>
<b>Non-cash adjustments excluded from the consolidated statement of cash flows:</b>			
Proceeds from capital redemption of financial assets at FVPL (adjusted with accounts receivable and prepayments)		-	280,123

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

# Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Munshaat Real Estate Projects Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2025 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 8 May 2025.

The consolidated financial statements of the Group for the year ended 31 December 2024 were approved by the shareholders at the annual general assembly meeting (“AGM”) held on 20 April 2025. No dividends have been declared by the Parent Company.

The Parent Company is a public shareholding company incorporated and domiciled in Kuwait and whose shares are publicly traded on Boursa Kuwait. The Parent Company’s head office is located at ITS Tower, Mezzanine floor, Mubarak Al Kabeer Street, Sharq and its registered postal address is P.O. Box 1393, Dasman 15464, Kuwait.

The Parent Company of Munshaat Real Estate Projects Company K.S.C.P. is Aref Investment Group S.A.K. (the “Ultimate Parent Company”), a closed shareholding company incorporated and domiciled in Kuwait.

The Parent Company is principally engaged in the provision of investment and financial services in accordance with Islamic Shari’a principles as approved by the Group’s Fatwa and Shari’a Supervisory Board. The Group is principally engaged real estate activities and operations.

### 2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the three months ended 31 March 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2024.

### 3 CHANGES TO THE GROUP’S ACCOUNTING POLICIES

#### **New standards, interpretations and amendments 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 do not have an 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.

The amendments did not have a material impact on the interim condensed consolidated financial information of the Group.



# Munshaat Real Estate Projects 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

### 4 OPERATING REVENUE AND COSTS

	<i>Three months ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
<b>Operating revenue</b>		
Hotel revenue	<b>5,452,559</b>	4,732,096
<b>Operating costs</b>		
Hotel operating costs	<b>(2,503,805)</b>	(2,288,429)
Depreciation of right-of-use asset (Note 6.a)	<b>(762,316)</b>	(746,473)
	<b>(3,266,121)</b>	(3,034,902)
<b>Net results from hotel operations</b>	<b>2,186,438</b>	1,697,194

### 5 EARNINGS PER SHARE (EPS)

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

	<i>Three months ended 31 March</i>	
	<i>2025</i>	<i>2024</i>
Earnings for the period attributable to the equity holders of the Parent Company (KD)	<b>3,320,085</b>	2,417,709
Weighted average number of ordinary shares outstanding during the period (shares)	<b>322,000,000</b>	322,000,000
<b>Basic and diluted EPS (Fils)</b>	<b>10.31</b>	7.51

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

### 6 RIGHT-OF-USE ASSET AND INVESTMENT PROPERTIES

#### a. Right-of-use asset

Set out below are the carrying amounts of right-of-use asset recognised and the movements during the period:

	<i>31 March 2025 KD</i>	<i>(Audited) 31 December 2024 KD</i>	<i>31 March 2024 KD</i>
<b>At the beginning of the period/year</b>	<b>42,163,382</b>	44,071,154	44,071,154
Depreciation of right-of-use asset (Note 4)	<b>(762,316)</b>	(3,010,777)	(746,473)
Transferred from inventory*	-	388,069	388,069
Additions	<b>27,254</b>	610,123	8,101
Exchange differences	<b>22,828</b>	104,813	52,490
<b>At the end of the period/year</b>	<b>41,451,148</b>	42,163,382	43,773,341

\* In the previous year, sukuks (originally held as inventory) were reclassified to right-of-use asset due to a change in their intended use. This reclassification did not result in the recognition of any gain or loss.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

## 6 RIGHT-OF-USE ASSET AND INVESTMENT PROPERTIES (continued)

### b. Investment properties

	<b>31 March 2025 KD</b>	<i>(Audited)</i> <b>31 December 2024 KD</b>	<b>31 March 2024 KD</b>
<b>At the beginning of the period/year</b>	<b>11,995,360</b>	12,106,400	12,106,400
Net loss from fair value remeasurement	<b>(61,650)</b>	(111,040)	(40,900)
<b>At the end of the period/year</b>	<b>11,933,710</b>	11,995,360	12,065,500

The fair value of investment properties was independently determined as at 31 December 2024 by accredited independent valuers who are specialised in valuing such type of properties. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the interim period. For properties located in KSA, management updated certain assumptions to reflect the latest information and developments mainly based on renewed lease agreement for the investment property and the market conditions existing at the end of the interim reporting period resulting in a remeasurement loss of KD 61,650 (31 March 2024: loss of KD 40,900) for the period then ended.

	<i>Three months ended 31 March</i>	
	<b>2025 KD</b>	<b>2024 KD</b>
Net loss from fair value remeasurement	<b>(61,650)</b>	(40,900)
Rental income derived from investment properties	<b>362,873</b>	356,759
<b>Net income from investment properties</b>	<b>301,223</b>	315,859

## 7 INVESTMENT IN ASSOCIATES

The Group holds interests in associates that are operating in KSA and accounted for using the equity method.

The movement in the carrying amount of investment in associates during the period/ year is, as follows:

	<b>31 March 2025 KD</b>	<i>(Audited)</i> <b>31 December 2024 KD</b>	<b>31 March 2024 KD</b>
<b>At the beginning of the period/year</b>	<b>14,169,991</b>	16,308,906	16,308,906
Share of results	<b>1,409,573</b>	1,582,008	1,044,663
Capital redemption	-	(3,668,834)	-
Exchange differences	<b>2,303</b>	(52,089)	(28,952)
<b>At the end of the period/year</b>	<b>15,581,867</b>	14,169,991	17,324,617

The Group performed an impairment test for its investment in associates during the fourth quarter of the preceding annual reporting period, which concluded that no impairment losses were required. As the assessment was performed at the end of the last annual reporting period, and in the absence of any new indicators of impairment during the current interim reporting period, management believes that there are no triggering events that would necessitate an update to the impairment test in accordance with IAS 36 'Impairment of Assets'.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

**8 RELATED PARTY DISCLOSURES**

Related parties represent major shareholders of Ultimate Parent Company, Ultimate Parent Company, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties including hotel operator. Pricing policies and terms of these transactions are approved by the Parent Company's management.

The following tables provide the total amount of transactions that have been entered into with related parties during the three months ended 31 March 2025 and 2024, as well as balances with related parties as at 31 March 2025, 31 December 2024 and 31 March 2024:

	<i>Major shareholder of the Ultimate Parent Company</i>	<i>Associates</i>	<i>Major shareholders</i>	<i>Other related parties</i>	<i>Three months ended 31 March</i>	
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<b>2025 KD</b>	<b>2024 KD</b>
<b>Statement of profit or loss:</b>						
Management fees income	-	142,198	-	62,811	<b>205,009</b>	164,042
Income from wakala receivables	-	-	-	-	-	311
Finance costs	(450,352)	-	-	-	<b>(450,352)</b>	(542,541)
Hotel Management fees	-	-	-	(312,456)	<b>(312,456)</b>	(269,454)

# Munshaat Real Estate Projects 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

### 8 RELATED PARTY DISCLOSURES (continued)

	<i>Major shareholder of the Ultimate Parent Company KD</i>	<i>Parent Company KD</i>	<i>Major shareholders KD</i>	<i>Associates KD</i>	<i>Other related parties KD</i>	<b>31 March 2025 KD</b>	<i>(Audited) 31 December 2024 KD</i>	<i>31 March 2024 KD</i>
<b>Statement of financial position:</b>								
Financial asset at FVPL	-	-	-	-	112,347	<b>112,347</b>	86,036	341,571
Financial asset at FVOCI	-	-	298,977	-	124,906	<b>423,883</b>	372,625	402,798
Bank balances and cash	2,233,838	-	-	-	-	<b>2,233,838</b>	2,615,809	2,596,267
Accounts receivable and prepayments, net of provisions	-	1,972	1,971	-	9,650,637	<b>9,654,580</b>	7,294,727	3,683,717
Accounts payable and accruals	-	-	322,644	142,412	610,812	<b>1,075,868</b>	1,034,597	1,129,268
Islamic finance payables	32,721,040	-	-	-	-	<b>32,721,040</b>	32,721,040	37,456,980

### Compensation of key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Balance outstanding as at 31 March</i>		<i>Transaction values for period ended 31 March</i>	
	<b>2025 KD</b>	<b>2024 KD</b>	<b>2025 KD</b>	<b>2024 KD</b>
Salaries and short-term benefits	<b>78,640</b>	68,877	<b>72,002</b>	68,907
Post-employment benefits	<b>334,857</b>	365,808	<b>7,976</b>	7,349
	<b>413,497</b>	434,685	<b>79,978</b>	76,256

The Board of Directors of the Parent Company in their meeting held on 20 February 2025 proposed a remuneration to the independent board member of KD 10,000 for the year ended 31 December 2024 (2023: KD 10,000). This proposal was subsequently approved by the shareholders at the annual general assembly meeting ("AGM") held on 20 April 2025.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

### 9 SHARE CAPITAL

	<b>31 March 2025 KD</b>	<i>(Audited)</i> <b>31 December 2024 KD</b>	<b>31 March 2024 KD</b>
Authorised, issued and paid up share capital consists of 322,000,000 (31 December 2024: 322,000,000 and 31 March 2024: 322,000,000) shares of 100 fils each, paid in cash.	<b>32,200,000</b>	32,200,000	32,200,000

### 10 ISLAMIC FINANCE PAYABLES

	<b>31 March 2025 KD</b>	<i>(Audited)</i> <b>31 December 2024 KD</b>	<b>31 March 2024 KD</b>
<b>Current</b>			
Tawarruq payable	<b>4,735,940</b>	4,735,940	4,735,940
<b>Non-current</b>			
Tawarruq payable	<b>27,985,100</b>	27,985,100	32,721,040
	<b>32,721,040</b>	32,721,040	37,456,980

Islamic finance payables bear a finance cost of 5.50% (31 December 2024: 5.76%; 31 March 2024: 5.78%) per annum and are repayable over a period of 10 years in annual instalments starting from 1 December 2022 and maturing on 1 December 2031, in accordance with the terms of the underlying Islamic financing arrangement.

The tawarruq facility is secured over certain of the Group's investment in subsidiaries.

Banking covenants vary according to each loan agreement. A future breach of covenant may require the Group to repay the Islamic finance payable on demand. During the current interim period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

### 11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### *Fair value hierarchy*

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest input that is significant to the fair value measurement as a whole, as follows:

- ▶ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
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As at and for the period ended 31 March 2025

**11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**

*Fair value hierarchy (continued)*

Set out below that are a summary of financial instruments and non-financial assets measured at fair value on a recurring basis, other than those with carrying amounts that are reasonable approximations of fair values:

	<i>Fair value measurement using</i>			
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant observable inputs (Level 2) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
<i>As at 31 March 2025</i>				
Financial assets at FVOCI	298,977	-	124,906	423,883
Financial assets at FVPL	-	-	145,682	145,682
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	298,977	-	270,588	569,565
	<hr/>	<hr/>	<hr/>	<hr/>
<i>As at 31 December 2024 (Audited)</i>				
Financial assets at FVOCI	267,114	-	105,511	372,625
Financial assets at FVPL	-	-	119,371	119,371
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	267,114	-	224,882	491,996
	<hr/>	<hr/>	<hr/>	<hr/>
<i>As at 31 March 2024</i>				
Financial assets at FVOCI	255,962	-	146,836	402,798
Financial assets at FVPL	-	-	374,906	374,906
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	255,962	-	521,742	777,704
	<hr/>	<hr/>	<hr/>	<hr/>

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

**Reconciliation of Level 3 fair values**

The following table shows a reconciliation of all movements in the fair value of items categorised within Level 3 between the beginning and the end of the reporting period:

	<i>Unquoted equity securities</i>		
	<i>Financial assets at FVOCI KD</i>	<i>Financial assets at FVPL KD</i>	<i>Total KD</i>
<i>31 March 2025</i>			
<i>As at 1 January 2025</i>	105,511	119,371	224,882
Remeasurement recognised in OCI	72,100	-	72,100
Remeasurement recognised in profit or loss	-	26,311	26,311
Redemptions	(52,705)	-	(52,705)
	<hr/>	<hr/>	<hr/>
<i>As at 31 March 2025</i>	124,906	145,682	270,588
	<hr/>	<hr/>	<hr/>

**Munshaat Real Estate Projects 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

**11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**

**Reconciliation of Level 3 fair values (continued)**

	<i>Unquoted equity securities</i>		
	<i>Financial assets at FVOCI</i>	<i>Financial assets at FVPL</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 December 2024 (Audited)</i>			
As at 1 January 2024	234,924	641,325	876,249
Remeasurement recognised in OCI	(31,442)	-	(31,442)
Remeasurement recognised in profit or loss	-	(201,831)	(201,831)
Redemptions	(97,971)	(320,123)	(418,094)
As at 31 December 2024	<u>105,511</u>	<u>119,371</u>	<u>224,882</u>
	<i>Unquoted equity securities</i>		
	<i>Financial assets at FVOCI</i>	<i>Financial assets at FVPL</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 March 2024</i>			
As at 1 January 2024	234,924	641,325	876,249
Remeasurement recognised in profit or loss	-	13,704	13,704
Redemptions	(88,088)	(280,123)	(368,211)
As at 31 March 2024	<u>146,836</u>	<u>374,906</u>	<u>521,742</u>

The valuation techniques and inputs used in this 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.

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. The management assessed that the impact on profit or loss or other comprehensive income would be immaterial if the relevant risk variables used to fair value the financial instruments classified as Level 3 were altered by 5 percent.

For other financial assets and financial liabilities carried at amortised cost, the carrying value is not significantly different from their fair value as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in profit rates.

# Munshaat Real Estate Projects 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

### 12 SEGMENT INFORMATION

For management purposes, the Group organises its operations by geographic regions, primarily Kuwait and KSA.

The table below presents revenue and results and assets and liabilities information regarding the Group's geographic segments. The Group, including associates are primarily engaged in real estate activities and accordingly no separate business segment is presented.

	<i>31 March 2025 (Unaudited)</i>			
	<i>Kuwait KD</i>	<i>KSA KD</i>	<i>Other KD</i>	<i>Total KD</i>
<b><i>Interim condensed consolidated statement of profit or loss</i></b>				
Revenues	249,508	6,224,612	16,143	6,490,263
Segment results	(121,249)	3,821,590	(33,677)	3,666,664
<b><i>Other disclosures</i></b>				
Depreciation and amortisation	(12,854)	(762,317)	(347)	(775,518)
Allowance for expected credit losses	859	-	-	859
<b><i>Interim condensed consolidated statement of financial position</i></b>				
Total assets	5,669,506	81,707,237	666,800	88,043,543
Total liabilities	5,807,447	59,422,899	18,025	65,248,371
	<i>31 December 2024 (Audited)</i>			
	<i>Kuwait KD</i>	<i>KSA KD</i>	<i>Other KD</i>	<i>Total KD</i>
<b><i>Consolidated statement of profit or loss</i></b>				
Revenues	733,814	20,885,943	42,101	21,661,858
Segment results	(1,117,323)	7,998,465	(288,398)	6,592,744
<b><i>Other disclosures</i></b>				
Depreciation and amortisation	(49,839)	(3,015,655)	(1,862)	(3,067,356)
Net reversal of (allowance for) provision for expected credit losses	5,212	(57,262)	-	(52,050)
<b><i>Consolidated statement of financial position</i></b>				
Total assets	6,917,264	77,414,632	679,518	85,011,414
Total liabilities	8,199,298	58,133,952	(369,868)	65,963,382



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

**12 SEGMENT INFORMATION (continued)**

	<i>31 March 2024 (Unaudited)</i>			
	<i>Kuwait KD</i>	<i>KSA KD</i>	<i>Other KD</i>	<i>Total KD</i>
<i>Interim condensed consolidated statement of profit or loss</i>				
Revenues	179,858	5,625,352	110	5,805,320
Segment results	(144,542)	2,738,382	(9,603)	2,584,237
<i>Other disclosures</i>				
Depreciation and amortisation	(12,399)	(748,102)	(541)	(761,042)
Net reversal of (allowance for) provision for expected credit losses	2,066	(56,079)	-	(54,013)
<i>Interim condensed consolidated statement of financial position</i>				
Total assets	10,726,977	76,911,105	895,550	88,533,632
Total liabilities	7,970,280	65,386,343	27,975	73,384,598

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