Palms Agro Production Company K.S.C.P. and its subsidiary
State of Kuwait

Interim condensed consolidated financial information (Unaudited)
and the review report
For the six month period ended 30 June 2025

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State of Kuwait

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For the six month period ended 30 June 2025

Contents

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PALMS AGRO PRODUCTION COMPANY K.S.C.P. STATE OF KUWAIT

Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Palms Agro Production Company K.S.C.P. (the "Parent Company") and its subsidiary (together referred to as the "Group"), which comprise the interim condensed consolidated statement of financial position as at 30 June 2025, and the interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six month period then ended. The Parent Company's management 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 the International Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information initially consists of making inquiries of personnel 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 International Accounting Standard 34: (Interim Financial Reporting).

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, except for the fact that the Parent Company violated the provisions of Article (1-16-5) of module twelve (listing rules) of the Executive Regulations, as amended, of Law No. 7 of 2010 as amended concerning the establishment of Capital Markets Authority and Organization of Securities Activity and its Executive Regulations, as amended, Due to not holding the Annual General Meeting for the financial year ended 31 December 2023 until 5 June 2024, where it exceeded the two-month deadline from the date of submitting the audited financial statements to the Authority on 28 March 2024 by eight days, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, Law No. 7 of 2010 concerning the establishment of Capital Markets Authority and Organization of Securities Activity and its Executive Regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six months period ended 30 June 2025, that would materially affect the Group's activities or its interim condensed consolidated financial position.

Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners

Kuwait: 31 July 2025

Palms Agro Production Company K.S.C.P. and its subsidiary
State of Kuwait

Interim condensed consolidated statement of financial position (Unaudited)
As at 30 June 2025

	Notes	30 June 2025 KD	(Audited) 31 December 2024 KD	30 June 2024 KD
ASSETS				
Non-current assets				
Property, plant and equipment		1,027,510	1,566,551	1,642,780
Right of use assets		121,245	130,824	160,902
Investment in an associate	3	791,324	638,094	530,031
		1,940,079	2,335,469	2,333,713
Current assets				
Inventories		1,175,490	1,116,053	1,079,911
Biological assets		270,030	259,017	258,347
Contract assets	10	2,796,662	4,154,843	65,740
Trade and other receivables	4	2,023,751	1,640,621	1,359,494
Due from a related party	5	4,888	5,310	6,464
Financial assets at fair value through profit or loss ("FVTPL")		28,482	24,226	20,159
Term deposits	6	1,116,000	1,094,974	1,072,906
Cash and cash equivalents	7	486,951	486,655	714,826
		7,902,254	8,781,699	4,577,847
Total assets		9,842,333	11,117,168	6,911,560
EQUITY AND LIABILITIES				
EQUITY				
Share capital		5,239,900	5,239,900	5,239,900
Statutory reserve		95,036	95,036	40,929
Voluntary reserve		54,107	54,107	-
Treasury shares	8	(3,573)	(3,573)	(3,573)
Foreign currency translation reserve		51,011	55,235	54,514
Retained earnings		349,160	405,284	64,942
Total equity		5,785,641	5,845,989	5,396,712
LIABILITIES				
Non-current liabilities				
Lease liabilities		61,581	86,931	134,404
Employees' end of service benefits		544,263	488,486	504,027
		605,844	575,417	638,431
Current liabilities				
Lease liabilities		47,052	50,554	45,095
Contract liabilities	10	2,665,544	1,670,000	17,713
Trade and other payables	9	738,252	2,975,208	813,609
		3,450,848	4,695,762	876,417
Total liabilities		4,056,692	5,271,179	1,514,848
Total equity and liabilities		9,842,333	11,117,168	6,911,560

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Abdullah Musallam Al-Zamel
Chairman

Khaled Abdulaziz Al-Ghanim
Vice Chairman

Palms Agro Production Company K.S.C.P. and its subsidiary
State of Kuwait

Interim condensed consolidated statement of profit or loss (Unaudited)

For the six month period ended 30 June 2025

	Notes	Three months ended 30 June 2025 KD	Three months ended 30 June 2024 KD	Six months ended 30 June 2025 KD	Six months ended 30 June 2024 KD
Operating revenue	10	2,777,439	1,010,114	3,775,367	2,142,585
Operating costs		(2,377,307)	(608,418)	(3,034,764)	(1,276,256)
Gross profit		400,132	401,696	740,603	866,329
Gain on sale of property, plant and equipment		224,483	42,521	224,483	42,521
Finance costs		(1,568)	(2,090)	(3,300)	(4,376)
Write-back of provision for obsolete and slow-moving inventories		-	2,228	-	26,725
Change in fair value of biological assets		6,374	9,790	14,746	22,661
Provision for expected credit losses on contract assets		(2,948)	-	(2,948)	-
Provision for expected credit losses on trade and other receivables	4	(47,052)	-	(67,052)	(15,377)
General and administrative expenses		(268,370)	(199,134)	(460,615)	(444,795)
Selling and distribution expenses		(173,601)	(265,178)	(351,276)	(531,698)
Operating profit / (loss)		137,450	(10,167)	94,641	(38,010)
Share of results of an associate	3	101,891	27,918	157,454	32,257
Reversal of impairment loss of an associate	3	-	-	-	30,687
Changes in fair value of financial assets at fair value through profit or loss ("FVTPL")		2,364	6,810	4,256	1,135
Interest income		7,561	12,474	19,222	25,184
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		249,266	37,035	275,573	51,253
KFAS		(2,493)	(513)	(2,756)	(513)
NLST		(9,210)	(271)	(10,747)	(859)
Zakat		(3,684)	(109)	(4,299)	(344)
Profit for the period		233,879	36,142	257,771	49,537
Basic and diluted earnings per share (fils)	11	4.47	0.69	4.93	0.95

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Palms Agro Production Company K.S.C.P. and its subsidiary
State of Kuwait

Interim condensed consolidated statement of comprehensive income (Unaudited)
For the six month period ended 30 June 2025

		Three months ended 30 June		Six months ended 30 June	
	Note	2025	2024	2025	2024
		KD	KD	KD	KD
Profit for the period		233,879	36,142	257,771	49,537
Other comprehensive loss items:					
Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss					
Foreign exchange differences on translation of foreign operations	3	(3,999)	(2,445)	(4,224)	(2,360)
Total other comprehensive income for the period		229,880	33,697	253,547	47,177

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

For the six month period ended 30 June 2025

	Share capital	Share premium	Statutory reserve	Voluntary reserve	Treasury shares	Foreign currency translation reserve	Retained earnings	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD
At 1 January 2024	5,239,900	225,000	1,033,497	429,242	(3,573)	56,874	(1,421,810)	5,559,130
Profit for the period	-	-	-	-	-	-	49,537	49,537
Other comprehensive loss for the period	-	-	-	-	-	(2,360)	-	(2,360)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(2,360)	49,537	47,177
Extinguishment of accumulated losses	-	-	(992,568)	(429,242)	-	-	1,421,810	-
Transfer of share premium to retained earnings	-	(225,000)	-	-	-	-	225,000	-
Dividends	-	-	-	-	-	-	(209,595)	(209,595)
At 30 June 2024	5,239,900	-	40,929	-	(3,573)	54,514	64,942	5,396,712
At 1 January 2025	5,239,900	-	95,036	54,107	(3,573)	55,235	405,284	5,845,989
Profit for the period	-	-	-	-	-	-	257,771	257,771
Other comprehensive loss for the period	-	-	-	-	-	(4,224)	-	(4,224)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(4,224)	257,771	253,547
Dividends (Note 14)	-	-	-	-	-	-	(313,895)	(313,895)
At 30 June 2025	5,239,900	-	95,036	54,107	(3,573)	51,011	349,160	5,785,641

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Palms Agro Production Company K.S.C.P. and its subsidiary
State of Kuwait

Interim condensed consolidated statement of cash flows (Unaudited)

For the six month period ended 30 June 2025

	Notes	Six months ended 30 June 2025 KD	Six months ended 30 June 2024 KD
OPERATING ACTIVITIES			
Profit for the period		257,771	49,537
Adjustments:			
Depreciation of property, plant and equipment		139,426	177,661
Amortisation of right of use assets		30,481	31,411
Gain on sale of property, plant and equipment		(224,483)	(42,521)
Finance costs		3,300	4,376
Change in fair value of biological assets		(14,746)	(22,661)
Write-back of provision for obsolete and slow-moving inventories		-	(26,725)
Biological assets written-off		7,490	13,425
Provision for expected credit losses on contract assets		2,948	-
Provision for expected credit losses on trade and other receivables	4	67,052	15,377
Share of results of an associate	3	(157,454)	(32,257)
Reversal of impairment loss of an associate	3	-	(30,687)
Changes in fair value of financial assets at fair value through profit or loss ("FVTPL")		(4,256)	(1,135)
Interest income		(19,222)	(25,184)
Provision for employees' end of service benefits		70,044	52,134
Provision for KFAS		2,756	513
Provision for NLST		10,747	859
Provision for Zakat		4,299	344
		176,153	164,467
Changes in working capital:			
Inventories		(59,437)	27,964
Biological assets		(3,757)	(7,695)
Contract assets		1,355,233	28,436
Trade and other receivables		(446,590)	157,772
Due from a related party		422	-
Contract liabilities		995,544	(51,494)
Trade and other payables		(2,249,507)	(37,939)
Net cash flows (used in) / generated from operations		(231,939)	281,511
Employees' end of service benefits paid		(14,267)	(57,674)
KFAS Paid		(5,444)	-
NLST Paid		(10,448)	-
Zakat Paid		(4,179)	-
Net cash flows (used in) / generated from operating activities		(266,277)	223,837
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(167,052)	(121,115)
Proceeds from sale of property, plant and equipment		791,150	42,570
Net movement on term deposits		(21,026)	(22,906)
Interest income received		15,630	25,184
Net cash flows generated from / (used in) investing activities		618,702	(76,267)
FINANCING ACTIVITIES			
Dividends paid		(299,075)	(515)
Lease liabilities paid		(53,054)	(22,640)
Net cash flows used in financing activities		(352,129)	(23,155)
Net increase in cash and cash equivalents		296	124,415
Cash and cash equivalents at beginning of the period		486,655	590,411
Cash and cash equivalents at end of the period	7	486,951	714,826

The Group has the following non-cash transactions during the period which is not reflected in the interim condensed consolidated statement of cash flows:

Additions on right of use assets	(20,902)	(117,380)
Additions on lease liabilities	20,902	117,380

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

1. INCORPORATION AND ACTIVITY

Palms Agro Production Company K.S.C.P. (the "Parent Company"), is a public shareholding company incorporated as per the Memorandum of Incorporation dated 23 May 1982 under the Laws of the State of Kuwait and is listed on the Boursa Kuwait. The Parent Company's head office is located at Al Rai, 4th ring road, plot No. 56 and its registered postal address is P.O. Box 1976, Safat 13020, State of Kuwait.

The Group principally operates in Kuwait and engages in import and export business of agricultural supplies, the execution of agricultural contracting work, establishment and management all types of nurseries and farms, reclamation and development of agricultural land, landscape gardening and ornamentation of public places and cities, utilising of financial surplus available to the Parent Company through investing it in portfolios managed by specialised companies and entities, import and circulation of veterinary medicines and concluding agency agreements, inaugurating and operation of veterinary clinics and centres and practicing the professional of veterinary medicine, trading in Boursa Kuwait, breeding and trading of chicken and eggs and execution of construction contracts work.

The Parent Company's head office is located at Al Rai, 4th ring road, plot No. 56 and its registered postal address is P.O. Box 1976, Safat 13020, State of Kuwait.

The Parent Company is a subsidiary of Bayan Holding Company K.S.C. (the "Ultimate Parent Company").

The interim condensed consolidated financial information for the six month period ended 30 June 2025 were authorised for the issue by the Parent Company's Board of Directors on 31 July 2025.

2. BASIS OF PREPARATION

This Group's interim condensed consolidated financial information has been prepared in accordance with IAS 34 Interim Financial Reporting. This interim condensed consolidated financial information does not include all the information and disclosures required for preparation of complete annual financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). In the opinion of Group's management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included.

The operating results for the six month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025. For further information, refer to the annual consolidated audited financial statements of the Group for the financial year ended 31 December 2024 ("Latest audited annual consolidated financial statements").

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is also the functional and presentation currency of the Group.

2. BASIS OF PREPARATION (CONTINUED)

Changes in material accounting policies

The accounting policies adopted in the preparation of this interim condensed consolidated financial information are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the financial year ended 31 December 2024, except for the application of new standards effective as at 1 January 2025, which do not have a material impact on the interim condensed consolidated financial information of the Group. Summary of these amendments is provided below:

New standards, interpretations, and amendments applied by the Group

Several amendments are applied for the first time in 2025, but they do not have an impact on the interim condensed consolidated financial information of the Group.

Lack of exchangeability (Amendment to IAS 21)
On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The amendments arose as a result of a submission received by the IFRS Interpretations Committee about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.

The Committee recommended that the IASB develop narrow scope amendments to IAS 21 to address this issue. After further deliberations, the IASB issued an exposure draft of the proposed amendments to IAS 21 in April 2021 and the final amendments were issued in August 2023.

The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

Use of judgements and estimates

In preparing this interim condensed consolidated financial information, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The material judgements made by management in adopting the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited consolidated financial statements.

3. INVESTMENT IN AN ASSOCIATE

The details of the Group's associate is as follows:

		Voting rights and equity share %				Carrying value		
Name of associate	**Country of incorporation**	**30 June 2025**	**31 December 2024 (Audited)**	**30 June 2024**	**Activity**	**30 June 2025**	**31 December 2024 (Audited)**	**30 June 2024**
		%	%	%		KD	KD	KD
Al Dhafra Irrigation Systems L.L.C.	Emirate of Abu Dhabi, United Arab Emirates	33	33	33	Operation and maintenance for landscape, irrigation and forest	791,324	638,094	530,031

3. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Summarised financial information in respect of the Group's associate is set out below:

	30 June 2025	31 December 2024 (Audited)	30 June 2024
	KD	KD	KD
Summary of the interim condensed financial position of the associate			
Current assets	1,834,485	2,220,781	2,166,626
Non-current assets	2,486,641	816,806	452,040
Total assets	4,321,126	3,037,587	2,618,666
Current liabilities	(1,356,630)	(721,013)	(662,631)
Non-current liabilities	(566,544)	(382,955)	(349,880)
Total liabilities	(1,923,174)	(1,103,968)	(1,012,511)
Net assets	2,397,952	1,933,619	1,606,155
Equity interest %	33%	33%	%33
Group's share of associate's net assets	791,324	638,094	530,031
Summary of the interim condensed statement of profit or loss of the associate			
Revenue	3,790,256	4,851,159	2,042,408
Expenses	(3,313,124)	(4,491,767)	(1,944,659)
Profit for the period / year / period	477,132	359,392	97,749
Group's share of results for the period / year / period	157,454	118,599	32,257
Contingent liabilities	2,909,889	2,998,353	2,338,610

Reconciliation to carrying amount:

	30 June 2025	31 December 2024 (Audited)	30 June 2024
	KD	KD	KD
At beginning of the period / year / period	638,094	469,447	469,447
Share of results	157,454	118,599	32,257
Reversal of impairment loss	-	51,687	30,687
Foreign currency translation reserve	(4,224)	(1,639)	(2,360)
At the end of the period / year / period	791,324	638,094	530,031

4. TRADE AND OTHER RECEIVABLES

	30 June 2025	31 December 2024 (Audited)	30 June 2024
	KD	KD	KD
Trade receivables	1,934,943	1,932,421	1,656,237
Less: provision for expected credit losses	(600,459)	(543,407)	(538,710)
	1,334,484	1,389,014	1,117,527
Retention	764,316	426,587	445,556
Less: provision for expected credit losses	(329,753)	(319,753)	(314,299)
	434,563	106,834	131,257
Advance payments to suppliers	72,716	72,438	62,876
Prepaid expenses	97,830	24,162	28,863
Other receivables	84,158	48,173	18,971
	2,023,751	1,640,621	1,359,494

Movement on provision for expected credit losses during the period/ year/ period is as follows:

	30 June 2025	31 December 2024 (Audited)	30 June 2024
	KD	KD	KD
At beginning of the period / year / period	863,160	837,632	837,632
Charged during the period / year / period	67,052	25,528	15,377
At the end of the period / year / period	930,212	863,160	853,009

5. RELATED PARTY DISCLOSURES

The related parties includes its associate, major shareholders, entities under common control, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

Related party balances and transactions are as follows:

	Associate	Other related parties	30 June 2025	31 December 2024 (Audited)	30 June 2024
	KD	KD	KD	KD	KD
Interim condensed consolidated statement of financial position					
Due from a related party					
Al Dhafra Irrigation Systems L.L.C.	4,888	-	4,888	5,310	6,464
Financial assets at fair value through profit or loss ("FVTPL")	-	9,565	9,565	9,565	9,565
Trade and other payables					
Board of Directors' accrued remuneration (Note 9)	-	-	-	21,000	-

5. RELATED PARTY DISCLOSURES (CONTINUED)

As at the date of the interim condensed consolidated financial information, the Group had receivables from the Ultimate Parent Company amounting to KD 8,911 (31 December 2024: KD 8,911 and 30 June 2024: KD 8,911), on which the Group has recognized full provision. The balance at the reporting date is Nil (31 December 2024: Nil and 30 June 2024: Nil).

Compensation of key management personnel

	Three months ended 30 June		Six months ended 30 June	
	2025	**2024**	**2025**	**2024**
	KD	KD	KD	KD
Salaries and short-term employee benefits	-	2,308	-	14,308
End of service benefits	-	652	-	4,114
	-	2,960	-	18,422

6. TERM DEPOSITS

As at 30 June 2025, the term deposits represent deposits denominated in Kuwaiti Dinars and placed with a local bank having an original maturity period of more than three months from the placement date and less than one year from the consolidated statement of financial position date and yield an effective interest rate ranging from 3.875% to 4% (31 December 2024: 3.875% and 30 June 2024: 4.125%) per annum.

7. CASH AND CASH EQUIVALENTS

	30 June 2025	**31 December 2024 (Audited)**	**30 June 2024**
	KD	KD	KD
Bank balances	464,461	335,218	566,036
Cash on hand	12,030	10,700	10,600
Short term deposit*	-	130,265	127,705
Cash held in a portfolio	10,460	10,472	10,485
	486,951	486,655	714,826

*The effective interest rate on the short-term deposit as at 31 December 2024 and 30 June 2024 is 3.75% per annum and 4% per annum respectively and has a contractual maturity of less than three months from the deposit date.

8. TREASURY SHARES

	30 June 2025	**31 December 2024 (Audited)**	**30 June 2024**
Number of treasury shares (shares)	83,200	83,200	83,200
Percentage to issued shares	0.16%	0.16%	0.16%
Market value (KD)	17,472	18,637	14,310
Cost (KD)	3,573	3,573	3,573

The Parent Company is committed to retain reserves, share premium and retained earnings equivalent to the cost of treasury shares throughout the year, in which they are held by the Parent Company, pursuant to instructions of the relevant regulatory authorities.

9. TRADE AND OTHER PAYABLES

	30 June 2025	31 December 2024 (Audited)	30 June 2024
	KD	KD	KD
Trade payables	291,975	97,768	62,372
Contracts payable	-	2,291,864	-
Retention payables	1,856	1,673	2,348
Accrued expenses	177,891	209,105	176,972
Dividends payable	242,267	227,447	428,455
KFAS	2,756	5,444	513
NLST	12,343	12,044	3,181
Zakat	4,938	4,818	1,273
Board of Directors' remuneration (Note 5)	-	21,000	-
Other payables	4,226	104,045	138,495
	738,252	2,975,208	813,609

10. OPERATING REVENUE

In the following table, revenue from contracts with customers is disaggregated by type of revenue, primary geographical market and timing of revenue recognition.

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	KD	KD	KD	KD
Type of goods or services				
Sale of goods	609,962	607,079	1,168,571	1,242,819
Rendering of services - plantation projects	2,167,477	403,035	2,606,796	899,766
Total revenues from contracts with customers	2,777,439	1,010,114	3,775,367	2,142,585
Geographical markets				
State of Kuwait	2,777,439	1,010,114	3,775,367	2,142,585
Timing of revenue recognition				
Goods and services rendered at a point in time	609,962	607,079	1,168,571	1,242,819
Goods and services provided overtime	2,167,477	403,035	2,606,796	899,766
	2,777,439	1,010,114	3,775,367	2,142,585

Contract balances

	30 June 2025	31 December 2024 (Audited)	30 June 2024
	KD	KD	KD
Contract assets	2,796,662	4,154,843	65,740
*Contract liabilities	2,665,544	1,670,000	17,713

*Contract liabilities amounting to KD 2,665,544 (31 December 2024: KD 1,670,000 and 30 June 2024: KD 17,713) represents advances received to render gardening and maintenance services.

11. BASIC AND DILUTED EARNINGS PER SHARE (FILS)

Basic and diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period (after deducting treasury shares) as follows:

	Three months ended 30 June		**Six months ended 30 June**	
	2025	**2024**	**2025**	**2024**
Profit for the period (KD)	233,879	36,142	257,771	49,537
Weighted average number of shares outstanding:				
Number of issued shares	52,399,000	52,399,000	52,399,000	52,399,000
Less: weighted average number of treasury shares	(83,200)	(83,200)	(83,200)	(83,200)
Weighted average number of outstanding shares	52,315,800	52,315,800	52,315,800	52,315,800
Basic and diluted earnings per share (fils)	4.47	0.69	4.93	0.95

12. SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group conducts its activities through the below main operating segments:

Commercial: Production and sale of nurseries and ornamental plans.
Projects: Gardening and maintenance services.
Investments: Investment in an associate, equity securities, term deposits and short-term deposit.

12. SEGMENT REPORTING (CONTINUED)

The following is an analysis of the Group's revenue and results by operating segments for the year:

	30 June 2025			
	Commercial	**Projects**	**Investments**	**Total**
	KD	KD	KD	KD
Assets	3,348,397	4,553,242	1,940,694	9,842,333
Liabilities	467,768	3,332,874	256,050	4,056,692
Revenues	1,215,961	2,575,303	404,264	4,195,528
Expenses	(1,228,322)	(2,709,435)	-	(3,937,757)
Segment (loss)/profit	(12,361)	(134,132)	404,264	257,771
Other disclosures:				
Cost of inventories recognised as an expense	(2,370,945)	-	-	(2,370,945)
Depreciation of property, plant and equipment	(80,012)	(59,414)	-	(139,426)
Amortisation of right of use assets	(26,618)	(3,863)	-	(30,481)
Capital expenditure	(75,844)	(91,208)	-	(167,052)
Share of results of an associate	-	-	157,454	157,454

12. SEGMENT REPORTING (CONTINUED)

	31 December 2024			
	Commercial KD	**Projects** KD	**Investments** KD	**Total** KD
Assets	3,621,651	5,584,201	1,911,316	11,117,168
Liabilities	698,549	4,334,565	238,065	5,271,179
Income	2,960,257	5,677,876	225,831	8,863,964
Expenses	(2,930,900)	(5,435,303)	-	(8,366,203)
Segment profit	29,357	242,573	225,831	497,761
Other disclosures:				
Cost of inventories recognised as an expense	(1,868,239)	-	-	(1,868,239)
Depreciation of property, plant and equipment	(221,401)	(105,727)	-	(327,128)
Amortization of right of use assets	(58,191)	(4,160)	-	(62,351)
Capital expenditure	42,627	151,747	-	194,374
Share of results of an associate	-	-	118,599	118,599

12. SEGMENT REPORTING (CONTINUED)

	30 June 2024			
	Commercial	Projects	Investments	Total
	KD	KD	KD	KD
Assets	3,486,550	1,657,260	1,767,750	6,911,560
Liabilities	1,116,208	398,640	-	1,514,848
Revenues	1,433,519	800,972	89,264	2,323,755
Expenses	(1,520,316)	(753,902)	-	(2,274,218)
Segment (loss)/ profit	(86,797)	47,070	89,264	49,537
Other disclosures:				
Cost of inventories recognised as an expense	(885,091)	-	-	(885,091)
Depreciation of property, plant and equipment	(134,265)	(43,396)	-	(177,661)
Amortisation of right of use assets	(29,331)	(2,080)	-	(31,411)
Capital expenditure	(110,649)	(10,466)	-	(121,115)
Share of results of an associate	-	-	32,257	32,257

13. FAIR VALUE MEASUREMENT

Details of the fair value measurement levels are as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets and 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.

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

30 June 2025	Level 2	Level 3	Total
	KD	KD	KD
Biological assets	270,030	-	270,030
Financial assets at fair value through profit or loss	18,917	9,565	28,482
	288,947	9,565	298,512

13. FAIR VALUE MEASUREMENT (CONTINUED)

31 December 2024 (Audited)	**Level 2**	**Level 3**	**Total**
	KD	KD	KD
Biological assets	259,017	-	259,017
Financial assets at fair value through profit or loss	14,661	9,565	24,226
	273,678	9,565	283,243

30 June 2024	**Level 2**	**Level 3**	**Total**
	KD	KD	KD
Biological assets	258,347	-	258,347
Financial assets at fair value through profit or loss	10,594	9,565	20,159
	268,941	9,565	278,506

There were no transfers among the fair value measurement levels during the period ended 30 June 2025.

14. ANNUAL GENERAL ASSEMBLY MEETING AND BOARD OF DIRECTORS' PROPOSAL

The Annual Ordinary General Assembly of the shareholders of the Parent Company held on 18 May 2025, approved the following:

- The consolidated financial statements of the Group for the financial year ended 31 December 2024.
- The penalties and violations report, that were imposed on the Parent Company by the Capital Markets Authority during the financial year ended 31 December 2024.
- The Board of Directors' remuneration amounted to KD 21,000.
- The distribution of dividends for the financial year ended 31 December 2024 to shareholders registered in the Parent Company's records on the record date (12 June 2025) at the rate of 6 Fils per share.