

**JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2025
(UNAUDITED)
WITH
REPORT ON REVIEW OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P.
AND ITS SUBSIDIARIES
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
JTC Logistics Transportation & Stevedoring Company. K.S.C.P.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of JTC Logistics Transportation & Stevedoring Company. K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") as at June 30, 2025 and the related interim condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three months and six months then ended and interim condensed consolidated statements of changes in equity and cash flows for the six months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". 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 International Accounting Standard 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 and its Executive Regulations, as amended, or by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six months period ended June 30, 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 Law No. 7 of 2010 concerning the Capital Markets Authority and its Executive Regulations, as amended, during the six months period ended June 30, 2025, that might have had a material effect on the business of the Parent Company or on its financial position.



Nayef M. Al Bazie
License No. 91-A
RSM Albazie & Co.

State of Kuwait
August 7, 2025

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JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT JUNE 30, 2025

(All amounts are in Kuwaiti Dinars)

	Note	June 30, 2025	(Audited) December 31, 2024	(Restated*) June 30, 2024
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	3	1,767,982	6,280,374	5,432,010
Account receivables and other debit balances		11,890,110	9,975,154	8,808,801
Inventories		1,424,430	1,466,940	1,408,645
Financial assets at fair value through other comprehensive income ("FVOCI")	11	169,932	186,255	199,284
Total current assets		15,252,454	17,908,723	15,848,740
Non-current assets:				
Property and equipment		44,839,887	44,316,478	42,562,946
Right-of-use assets		908,919	1,185,135	1,152,666
Investment properties	11	11,922,000	11,922,000	10,081,388
Total non-current assets		57,670,806	57,423,613	53,797,000
Total assets		72,923,260	75,332,336	69,645,740
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Loans and borrowings	4	1,370,000	1,370,000	1,384,925
Accounts payable and other credit balances		6,136,915	7,087,996	4,678,421
Lease liabilities		598,806	635,110	572,564
Total current liabilities		8,105,721	9,093,106	6,635,910
Non-current liabilities:				
Loans and borrowings	4	7,005,030	7,940,030	8,360,105
Lease liabilities		316,770	561,091	592,814
Provision for end of service indemnity		2,202,553	2,098,562	2,001,918
Total non-current liabilities		9,524,353	10,599,683	10,954,837
Total liabilities		17,630,074	19,692,789	17,590,747
Equity:				
Share capital		15,000,000	15,000,000	15,000,000
Statutory reserve		8,170,653	8,170,653	7,457,914
Revaluation surplus		9,187,409	9,187,409	8,885,191
Fair value reserve		63,252	79,575	92,604
Foreign currency translation adjustments		(22,056)	(12,490)	(9,942)
Retained earnings		22,893,928	23,214,400	20,629,226
Total equity		55,293,186	55,639,547	52,054,993
Total liabilities and equity		72,923,260	75,332,336	69,645,740

* Certain amounts shown here do not correspond to the interim condensed consolidated financial information as at June 30, 2024 and reflect adjustments made as detailed in Note 13.

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.



Sheikh Sabah Mohammad Abdulaziz Al Sabah
Vice Chairman

JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2025
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	(Restated)* 2024	2025	(Restated)* 2024
Operating revenue	5	7,677,280	6,996,409	15,783,419	14,013,103
Operating costs		(5,107,295)	(4,765,770)	(10,135,785)	(9,289,815)
Gross profit		2,569,985	2,230,639	5,647,634	4,723,288
General and administrative expenses		(1,054,565)	(763,427)	(1,943,198)	(1,457,320)
Allowance for expected credit losses no longer required			22,951	-	56,978
Finance charges		(118,847)	(91,592)	(233,866)	(177,664)
Other income		53,166	156,131	170,755	371,865
Profit for the period before contribution to Kuwait Foundation for Advancement of Sciences (KFAS), National Labor Support Tax (NLST), Zakat and Board of Directors' remuneration		1,449,739	1,554,702	3,641,325	3,517,147
Contribution to KFAS		(17,778)	(15,183)	(38,797)	(34,401)
NLST	9	52,547	(37,956)	-	(86,003)
Zakat	9	21,019	(15,183)	-	(34,401)
Board of Directors' remuneration	6	(11,500)	(10,500)	(23,000)	(21,000)
Profit for the period		1,494,027	1,475,880	3,579,528	3,341,342
		Fils	Fils	Fils	Fils
Basic and diluted earnings per share attributable to shareholders of the Parent Company	8	9.96	9.84	23.86	22.28

* Certain amounts shown here do not correspond to the interim condensed consolidated financial information for the period ended June 30, 2024 and reflect adjustments made as detailed in Note 13.

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2025
(All amounts are in Kuwaiti Dinars)

	Three months ended June 30,		Six months ended June 30,	
	2025	(Restated)* 2024	2025	(Restated)* 2024
Profit for the period	1,494,027	1,475,880	3,579,528	3,341,342
Other comprehensive (loss) income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Exchange difference on translating foreign operations	(11,631)	375	(9,566)	1,400
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Changes in fair value of financial assets at FVOCI	(21,246)	(1,630)	(16,323)	14,718
Other comprehensive (loss) income for the period	(32,877)	(1,255)	(25,889)	16,118
Total comprehensive income for the period	1,461,150	1,474,625	3,553,639	3,357,460

* Certain amounts shown here do not correspond to the interim condensed consolidated financial information for the period ended June 30, 2024 and reflect adjustments made as detailed in Note 13.

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2025
(All amounts are in Kuwaiti Dinars)

	Share capital	Statutory reserve	Revaluation surplus	Fair value reserve	Foreign currency translation adjustments	Retained earnings	Total Equity
As at December 31, 2024 (Audited)	15,000,000	8,170,653	9,187,409	79,575	(12,490)	23,214,400	55,639,547
Total comprehensive (loss) income for the period	-	-	-	(16,323)	(9,566)	3,579,528	3,553,639
Cash dividends (Note 7)	-	-	-	-	-	(3,900,000)	(3,900,000)
As at June 30, 2025	15,000,000	8,170,653	9,187,409	63,252	(22,056)	22,893,928	55,293,186
As at December 31, 2023 (as previously reported)	15,000,000	7,457,914	12,334,850	77,886	(11,342)	16,702,166	51,561,474
Adjustment on correction of errors (Note 13)	-	-	(3,449,659)	-	-	3,885,718	436,059
As at December 31, 2023 (Restated*)	15,000,000	7,457,914	8,885,191	77,886	(11,342)	20,587,884	51,997,533
Total comprehensive income for the period (Restated*)	-	-	-	14,718	1,400	3,341,342	3,357,460
Cash dividends (Note 7)	-	-	-	-	-	(3,300,000)	(3,300,000)
As at June 30, 2024	15,000,000	7,457,914	8,885,191	92,604	(9,942)	20,629,226	52,054,993

* Certain amounts shown here do not correspond to the interim condensed consolidated financial information as at June 30, 2024 and reflect adjustments made as detailed in Note 13.

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2025
(All amounts are in Kuwaiti Dinars)

	Six months ended June 30,	
	2025	(Restated) * 2024
Cash flows from operating activities:		
Profit for the period before contribution to KFAS, NLST, Zakat and Board of Directors' remuneration	3,641,325	3,517,147
Adjustments for:		
Depreciation	2,799,190	2,575,961
Amortization on right-of-use assets	332,579	323,942
Allowance for expected credit losses no longer required	-	(56,978)
Dividend income	(14,569)	(14,569)
Interest income	(62,244)	(149,925)
Gain on sale of property and equipment	(48,289)	(103,145)
Finance charges	233,866	177,664
Provision for end of service indemnity	210,239	187,528
	<u>7,092,097</u>	<u>6,457,625</u>
Changes in operating assets and liabilities:		
Account receivables and other debit balances	(1,959,774)	432,949
Inventories	42,619	(60,372)
Accounts payable and other credit balances	(580,757)	(516,380)
Cash flows generated from operations	<u>4,594,185</u>	<u>6,313,822</u>
KFAS paid	(64,146)	(58,867)
NLST paid	(276,908)	(147,167)
Zakat paid	(110,763)	(58,867)
Payment for end of service indemnity	(104,506)	(54,890)
Net cash flows generated from operating activities	<u>4,037,862</u>	<u>5,994,031</u>
Cash flows from investing activities:		
Fixed deposits	2,500,000	8,750,000
Purchase of property and equipment	(3,382,030)	(6,194,419)
Proceeds from sale of property and equipment	126,430	387,845
Dividend income received	-	14,569
Interest income received	129,205	252,882
Net cash flows (used in) generated from investing activities	<u>(626,395)</u>	<u>3,210,877</u>
Cash flows from financing activities:		
Loans and borrowings	(935,000)	(6,047,549)
Finance charges paid	(199,727)	(215,866)
Lease payments	(352,259)	(343,088)
Cash dividend paid	(3,899,328)	(3,300,000)
Net cash flows used in financing activities	<u>(5,386,314)</u>	<u>(9,906,503)</u>
Net decrease in cash and cash equivalents	(1,974,847)	(701,595)
Foreign currency translation adjustments	(37,545)	(4,487)
Cash and cash equivalents at the beginning of the period (Note 3)	<u>3,530,374</u>	<u>5,388,092</u>
Cash and cash equivalents at the end of the period (Note 3)	<u>1,517,982</u>	<u>4,682,010</u>

Significant non-cash transactions adjusted in the above interim condensed consolidated statement of cash flows are as set out below:

	Six months ended June 30,	
	2025	2024
Additions to right-of-use assets	(58,888)	(357,446)
Additions to lease liabilities	<u>58,888</u>	<u>357,446</u>
	<u>-</u>	<u>-</u>

* Certain amounts shown here do not correspond to the interim condensed consolidated financial information for the period ended June 30, 2024 and reflect adjustments made as detailed in Note 13.

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

JUNE 30, 2025

(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities of the Parent Company

The registered head office of the Parent Company is at Mirqab, Area No 1, Building No 8, Saleh Sulaiman Al Jarah Real Estate Complex, Office 2, 5th floor, P.O. Box 22801, Safat 13089, Kuwait. The Parent Company is registered and incorporated in Kuwait on May 25, 1979. The commercial register of the Parent Company was amended on October 15, 2024 to reflect latest changes on articles of incorporation.

During the previous year, the name of the Parent Company has been changed from Jassim Transport and Stevedoring Company K.S.C.P. to JTC Logistics Transportation & Stevedoring Company. K.S.C.P. as registered in the commercial register No. 23954 dated October 15, 2024.

The activities of the Parent Company as per the Articles of Association comprise of the following:

1. Carry out all road transport operations outside the State of Kuwait and in particular operations related to carrying passengers by any mean of land transportation.
2. Buy, sell, rent, hire and import all kinds of trucks, vehicles, equipment and machinery, light and heavy, and any necessary mean for stevedoring, land, sea materials transportation inside and outside Kuwait.
3. Develop any private road transport industry or related to it (after getting the approval of the Public Authority for Industry).
4. Clearance, shipping and stevedoring operations for imported and issued goods and packaging goods of all kinds.
5. Participate in the management, operation and maintenance and the establishment of maritime and land ports and container terminals related to this activity.
6. Practicing all e-commerce activities, according to the Parent Company's activity.
7. Build and rent the necessary buildings for services and crafts related to stevedoring and land and maritime transport.
8. Shipping and services of all kinds of vessels and supply ships and ships agents for companies.
9. Provide all transportation and airport management services, which include ground support services for passengers, aircraft and aviation-related goods.
10. Owns moveable property and real estate to conduct its operations in the permissible limits according to the law.
11. Using the available funds of the Parent Company by investing them in financial portfolios managed by specialized authorities and companies.
12. Stevedoring services, loading and unloading ships and maritime transport.
13. Perform all road transport operations, transporting goods and various materials inside and outside the State of Kuwait. Especially, operations related to the transport of general cargo and bulk fuel, water and precious chemical materials by any mean of transportation.
14. Owns stocks and bonds for the Parent Company account only (Parent Company may have an interest or participate in any way with bodies engaged in similar activities or which may assist in achieving its objectives in Kuwait or abroad and it may arise or participates or buy these bodies or join them in their equity). The Parent Company may perform the aforementioned activities within or outside the State of Kuwait as a legal entity or as an agent.
15. Renting, leasing, setting up and managing warehouses in all its forms and supplying them with the necessary fixtures.
16. Storing goods in accordance with the presentation system under customs supervision inside or outside the customs areas.
17. Metal-turning points, blacksmithing workshops, assembling engines, generators, electrical transformers, and electrical distribution and control devices after the approval of the Public Authority for Industry.
18. Selling and buying shares and bonds for the Parent Company's account.

The Parent Company may perform other similar, complementary or connected activities to its main activities.

The Parent Company and its subsidiaries are referred to as the Group.

The Parent Company is a subsidiary of Kuwait Projects Company Holding K.S.C. (Public) ("Ultimate Parent Company").

The Parent Company is regulated and supervised by the Capital Market Authority ("CMA") as a listed Company.

JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

JUNE 30, 2025

(All amounts are in Kuwaiti Dinars)

The interim condensed consolidated financial information was authorized for issue in accordance with a resolution of the Parent Company's Board of Directors on August 7, 2025.

2. Material accounting policies information

a) Basis of preparation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2024.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB"). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the six months period ended June 30, 2025, are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended December 31, 2024.

b) Standards, interpretation and amendments issued and adopted by the Group.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The new standards and amendments that are effective for annual reporting periods beginning on or after January 1, 2025, do not have a material impact on the financial position or the performance of the Group.

3. Cash and cash equivalents

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows consist of the following:

	June 30, 2025	(Audited) December 31, 2024	June 30, 2024
Cash and bank balances	1,517,982	1,780,374	1,682,010
Fixed deposits	250,000	4,500,000	3,750,000
Cash and cash equivalents as per interim condensed consolidated statement of financial position	1,767,982	6,280,374	5,432,010
Fixed deposits with original maturities more than three months	(250,000)	(2,750,000)	(750,000)
Cash and cash equivalents as per interim condensed consolidated statement of cash flows	1,517,982	3,530,374	4,682,010

Fixed deposits yield an average effective interest rate of 4.25% (December 31, 2024: from 2.87% to 5.2% and June 30, 2024: from 2.875% to 5.2%) per annum.

4. Loans and borrowings

	June 30, 2025	(Audited) December 31, 2024	June 30, 2024
Term loan (a)	3,895,000	4,330,000	4,765,000
Murabaha payables (b)	4,480,030	4,980,030	4,980,030
	8,375,030	9,310,030	9,745,030

JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

JUNE 30, 2025

(All amounts are in Kuwaiti Dinars)

- (a) Term loan is obtained from a local bank and carries an effective interest at a fixed rate of 3.5% per annum (December 31, 2024: 3.5%, June 30, 2024: 3.5%).

Term loan is to be repaid over equal half-yearly installments of KD 435,000 each with the next installment due on December 15, 2025, and final settlement on December 15, 2029.

Term loan is secured by the following collaterals:

	June 30, 2025	(Audited) December 31, 2024	June 30, 2024
Certain equipment included in "Property and equipment"	5,366,735	5,664,564	5,962,392
Leasehold land included in "Property and equipment"	7,828,000	7,828,000	7,525,782
Leasehold land included in "Investment properties"	3,837,000	3,837,000	3,690,218

The terms of the loan agreements require the Group to meet certain financial covenants. There have been no breaches of the financial covenants of any interest-bearing loan during the current period.

- (b) The amounts payable under Murabaha agreements are repayable within 1 to 5 years. The amount due is settled on a deferred payment basis and carries profit at rate of 1% over the CBK discount rate (effective 5%) (December 31, 2024: 1% (effective 5.25%), June 30, 2024: 1% (effective 5.25%)) per annum. Murabaha payables is obtained from a local Islamic bank and denominated in Kuwaiti Dinar.

Loans and borrowings are represented as:

	June 30, 2025	(Audited) December 31, 2024	June 30, 2024
Current portion:			
Term loan	870,000	870,000	870,000
Murabaha payables	500,000	500,000	514,925
	1,370,000	1,370,000	1,384,925
Non-current portion:			
Term loan	3,025,000	3,460,000	3,895,000
Murabaha payables	3,980,030	4,480,030	4,465,105
	7,005,030	7,940,030	8,360,105
	8,375,030	9,310,030	9,745,030

5. Operating revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers based on type of services and timing:

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	2025	2024	2025	2024
Contract logistics	1,060,187	996,131	2,140,520	2,202,805
Ports management	2,770,942	2,517,541	5,955,231	4,926,982
Equipment leasing	3,360,100	3,205,532	6,716,141	6,374,674
Warehousing	486,051	277,205	971,527	508,642
	7,677,280	6,996,409	15,783,419	14,013,103
Timing of revenue recognition				
Services transferred over time	7,677,280	6,996,409	15,783,419	14,013,103
Total revenue from contracts with customers	7,677,280	6,996,409	15,783,419	14,013,103

JTC LOGISTICS TRANSPORTATION & STEVEDORING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

JUNE 30, 2025

(All amounts are in Kuwaiti Dinars)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Geographical markets				
Kuwait	6,502,309	5,953,414	13,495,050	11,960,282
Rest of GCC	1,174,971	1,042,995	2,288,369	2,052,821
Total revenue from contracts with customers	7,677,280	6,996,409	15,783,419	14,013,103

6. Related party disclosures

The Group has entered into various transactions with related parties, i.e. Ultimate Parent Company, Entities under common control, Board of Directors, Key Management Personnel and Other Related Parties. Prices and terms of payment are approved by the Group's management. Significant balances and transactions with other related parties are as follows:

	Ultimate Parent Company	Entities under common control	June 30, 2025	(Audited) December 31, 2024	June 30, 2024
Balances included in the interim condensed consolidated statement of financial position:					
Cash and cash equivalents	-	434,942	434,942	4,144,662	3,873,892
Account receivables and other debit balances	-	45,287	45,287	66,374	74,056
Accounts payable and other credit balances (Note 9)	135,789	-	135,789	-	-

**Transactions included in the interim
condensed consolidated statement of
profit or loss:**

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating revenue	7,709	19,695	54,309	29,915
General and administrative expenses	(158,743)	(24,830)	(185,281)	(43,510)
Other income	17,140	48,273	62,107	141,728

Compensation of key management personnel

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

The remuneration to key management personnel during the period was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Salaries and other short-term benefit	103,026	118,377	216,407	232,199
Board of Directors' remuneration	11,500	10,500	23,000	21,000
Termination benefits	3,640	3,101	10,421	9,826
	118,166	131,978	249,828	263,025

7. General assembly, cash dividends and Board of Director's remuneration

The Shareholders' Annual General Assembly held on April 15, 2025, approved the following:

- The consolidated financial statements for the financial year ended December 31, 2024.
- Board of Directors' proposal to distribute cash dividends of 26 fils per share amounting to KD 3,900,000.
- Board of Directors' proposal to distribute Board of Director's remuneration amounting to KD 41,000 for the financial year ended December 31, 2024.

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The Shareholders' Annual General Assembly held on April 16, 2024, approved the following:

- a) The consolidated financial statements for the financial year ended December 31, 2023.
- b) Board of Directors' proposal to distribute cash dividends of 22 fils per share amounting to KD 3,300,000.
- c) Board of Directors' proposal to distribute Board of Director's remuneration amounting to KD 36,000 for the financial year ended December 31, 2023.

8. Basic and diluted earnings per share attributable to shareholders of the Parent Company

There are no potential dilutive ordinary shares. Basic and diluted earnings per share attributable to shareholders of the Parent Company is computed by dividing the profit for the period attributable to shareholders of the Parent Company by the weighted average number of shares outstanding during the period:

	Three months ended June 30,		Six months ended June 30,	
		(Restated)*		(Restated)*
	2025	2024	2025	2024
Profit for the period attributable to shareholders of the Parent Company	1,494,027	1,475,880	3,579,528	3,341,342
Weighted average number of shares outstanding during the period (Shares)	150,000,000	150,000,000	150,000,000	150,000,000
Basic and diluted earnings per share attributable to shareholders of the Parent Company (Fils)	9.96	9.84	23.86	22.28

* For the three-months and six-months period ended June 30, 2024, basic and diluted earnings per share were 9.55 fils and 21.76 fils respectively prior to the effect of the restatement.

As there are no dilutive instruments outstanding, basic and diluted earnings per share attributable to shareholders of the Parent Company are identical.

9. Taxation

'Pillar 2 Income Taxes'

In 2021, OECD's Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) had agreed to a two-pillar solution in order to address tax challenges arising from digitalization of the economy. Under Pillar 2, 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. The State of Kuwait in which the Group operates has joined the IF. Currently the Group's revenue does not exceed EUR 750 million but may be exposed to the global minimum tax by virtue of the Parent Company which is domiciled and operating in the State of Kuwait. On December 31, 2024, the State of Kuwait enacted Law No. 157 of 2024 (the "Law"), introducing a Domestic Minimum Top-Up Tax (DMTT) effective from 2025 on entities which are part of MNE Group with annual revenues of EUR 750 million or more. The Law provides that a top-up tax shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax rate of all constituent entities of the MNE Group operating within Kuwait. The Law effectively replaces the existing National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law. The taxable income and effective tax rate shall be computed in accordance with the Executive regulations which were issued on June 29, 2025. The Group had accounted for a provision of KD 135,789 based on the initial assessment for DMTT as of June 30, 2025 as allocated by the Ultimate Parent Company within "general and administrative expenses" in the interim condensed consolidated statement of profit or loss.

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10. Contingent liabilities, capital commitments and legal cases

The Group is contingently liable in respect of the following:

	June 30, 2025	(Audited) December 31, 2024	June 30, 2024
(i) Contingent liabilities:			
Letters of credit	3,023,953	1,122,733	4,158,732
Letters of guarantee	2,585,479	2,168,336	1,710,244
	<u>5,609,432</u>	<u>3,291,069</u>	<u>5,868,976</u>
(ii) Capital commitments:			
Pre-fabricated buildings	<u>973,113</u>	<u>1,364,995</u>	<u>1,854,700</u>

(iii) Legal cases:

(i) Legal case Number: 4117/2018 (Electronic No. 182317800).

Plaintiff: Kuwait Port Authority

Defendant: Parent Company

Case subject: Forcing the Parent Company to evacuate plot No. S5 in Free Trade Zone being occupied by the Parent Company. The Parent Company evacuated this location on January 20, 2014.

Court verdicts issued:

- On April 24, 2024, the "Court of First Instance" issued its verdict in favor of the defendant by rejecting the case.
- During May 2024, the Plaintiff appealed against the verdict through case No. 2494/2024 in the "Court of Appeal" and on November 20, 2024, the "Court of Appeal" issued its verdict in favor of plaintiff by obligating the defendant to pay an amount of KD 514,991.

Current status:

- The Defendant appealed against the verdict and the case is pending in the "Court of Cassation" and the date of hearing is not set yet.

Financial impact:

- The Parent Company has recorded a provision of KD 514,991 during the year ended December 31, 2024.

- (ii) There are legal cases being raised by and against the Group as at December 31, 2024. According to the available information, it was not possible to assess probable outflows which could result from those cases until a final verdict is rendered by the court. Accordingly, no provision for any liability has been made in these interim condensed consolidated financial information in relation to these legal cases.

11. Fair values measurement

The details of fair value measurement hierarchy are 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.

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

June 30, 2025	Level 1	Level 2	Total
Financial assets at FVOCI	169,932	-	169,932
Investment properties	-	11,922,000	11,922,000
December 31, 2024	Level 1	Level 2	Total
Financial assets at FVOCI	186,255	-	186,255
Investment properties	-	11,922,000	11,922,000
June 30, 2024	Level 1	Level 2	Total
Financial assets at FVOCI	199,284	-	199,284
Investment properties	-	10,081,388	10,081,388

During the period ended June 30, 2025, there were no transfers among different levels of fair value measurement.

12. Segmental reporting

Management has determined the operating segments based on the information reviewed by the Board of Directors represented by the Chief Operating Decision Maker for the purpose of allocating resources and assessing performance. The Chief Operating Decision Maker organizes the entity based on different geographical areas, inside and outside Kuwait. The following table presents the geographical analysis of the Group's assets, liabilities as at June 30, 2025, December 31, 2024 and June 30, 2024 and profit for the period ended June 30, 2025 and June 30, 2024. The geographical analysis of the Group's operating revenue for the period ended June 30, 2025, and June 30, 2024 is presented in Note 5.

Geographical information

In presenting the geographic information, segment revenue, results and assets have been based on the geographic location from which income is derived and segment assets were based on the geographic location of the assets.

	June 30, 2025	(Audited) December 31, 2024	(Restated) June 30, 2024
Segment assets:			
Kuwait	59,849,517	62,067,000	57,249,536
Rest of GCC	13,073,743	13,265,336	12,396,204
Total segment assets	72,923,260	75,332,336	69,645,740
Segment liabilities:			
Kuwait	16,666,168	18,850,178	16,728,826
Rest of GCC	963,906	842,611	861,921
Total segment liabilities	17,630,074	19,692,789	17,590,747
	Three months ended June 30, (Restated) 2025	2024	Six months ended June 30, (Restated) 2025
Results:			
Profit for the period			
Kuwait	1,181,117	1,149,651	3,118,378
Rest of GCC	312,910	326,229	461,150
Profit for the period	1,494,027	1,475,880	3,579,528

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13. Correction of errors

The interim condensed consolidated statement of financial position as of June 30, 2024, and the interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity, and cash flows for the period ending June 30, 2024, have been restated in accordance with IAS 8: "Accounting Policies, Changes in Accounting Estimates, and Errors". This adjustment corrects a prior misclassification in which certain investment properties were recorded as property and equipment in previous periods.

The Group has elected to apply the impracticability exemption under IAS 8 regarding retrospective application and restatement, as it is not feasible to obtain fair values for certain buildings in prior periods.

The details of the restatement are as follows:

	As previously reported	Amount restated	As restated
Interim condensed consolidated statement of financial position			
June 30, 2024:			
Property and equipment	52,130,350	(9,567,404)	42,562,946
Investment properties	-	10,081,388	10,081,388
Revaluation surplus	12,334,850	(3,449,659)	8,885,191
Retained earnings	16,665,583	3,963,643	20,629,226
Interim condensed consolidated statement of profit or loss (Six months period)			
June 30, 2024:			
Depreciation "operating costs"	(9,367,740)	77,925	(9,289,815)
Interim condensed consolidated statement of profit or loss (Three months period)			
June 30, 2024:			
Depreciation "operating costs"	(4,809,276)	43,506	(4,765,770)