**Equipment Holding Company K.S.C.P. and its subsidiaries**
**State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited) and Independent Auditor's Review Report**
For the six months period ended 30 June 2026

**Equipment Holding Company K.S.C.P. and its subsidiaries**
**State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)**
For the six months period ended 30 June 2026

## Contents

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**The Board of Directors**

**Equipment Holding Company K.S.C.P.**
**State of Kuwait**

**Independent Auditor's Report on Review of Interim Condensed Consolidated Financial Information**

*Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Equipment Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2026, and the related interim condensed consolidated statement of comprehensive income, changes in equity and cash flows for the six months 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". 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 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 of the Parent Company's Memorandum of Incorporation, as amended, and Article of Association, as amended, have occurred during the six months period ended 30 June 2026, that might have had a material effect on the Parent Company's financial position or its business results.

Furthermore, based on our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, as amended, have occurred during the six months period ended 30 June 2026 that might have a material effect on the Parent Company's financial position or its business results.

**Qais M. Al Nisf**
**License No. 38**
**BDO Al Nisf & Partners**

**Kuwait: 29 July 2026**



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**Equipment Holding Company K.S.C.P. and its subsidiaries**
**State of Kuwait**

## Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As at 30 June 2026

| | Notes | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|---|
| | | KD | KD | KD |
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | | 220,105 | 237,415 | 252,207 |
| Right of use assets | | 2,875,000 | 2,875,000 | 3,000,000 |
| Trade receivables and other debit balances | 4 | 376,824 | 376,824 | 509,651 |
| | | 3,471,929 | 3,489,239 | 3,761,858 |
| **Current assets** | | | | |
| Trade receivables and other debit balances | 4 | 1,146,888 | 1,139,961 | 1,299,864 |
| Financial assets at fair value through profit or loss | 5 | 204,007 | 204,007 | - |
| Inventories | 6 | 56,474 | 56,474 | 56,474 |
| Cash and cash equivalents | 7 | 5,280,563 | 297,236 | 882,225 |
| | | 6,687,932 | 1,697,678 | 2,238,563 |
| **Total assets** | | 10,159,861 | 5,186,917 | 6,000,421 |
| **Equity and Liabilities** | | | | |
| **Equity** | | | | |
| Share capital | 15 | 8,000,000 | 2,500,000 | 8,000,000 |
| Share premium | 15 | 330,000 | - | - |
| Revaluation surplus | | 187,120 | 188,712 | 310,340 |
| Accumulated losses | | (156,996) | (481,936) | (5,615,348) |
| **Total equity attributable to the Shareholders of the Parent Company** | | 8,360,124 | 2,206,776 | 2,694,992 |
| Non-controlling interests | | 10,000 | - | - |
| **Total equity** | | 8,370,124 | 2,206,776 | 2,694,992 |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Provision for end of service indemnity | | 2,118 | 2,118 | 2,118 |
| Term loans | 8 | - | 200,000 | 300,000 |
| | | 2,118 | 202,118 | 302,118 |
| **Current liabilities** | | | | |
| Term loans | 8 | - | 100,000 | 100,000 |
| Due to banks | 9 | 96,789 | 96,789 | 28,579 |
| Trade payables and other payables | 10 | 1,690,830 | 2,581,234 | 2,874,732 |
| | | 1,787,619 | 2,778,023 | 3,003,311 |
| **Total liabilities** | | 1,789,737 | 2,980,141 | 3,305,429 |
| **Total equity and liabilities** | | 10,159,861 | 5,186,917 | 6,000,421 |

The accompanying notes on pages 6 to 18 form an integral part of this interim condensed consolidated financial information.

**Dherar Khaled Fahd Al-Rabbah**
Vice Chairman and CEO

**Equipment Holding Company K.S.C.P. and its subsidiaries**
**State of Kuwait**

## Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the six months period ended 30 June 2026

| | | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---|---|---|---|---|
| | | **2026** | **2025** | **2026** | **2025** |
| | **Notes** | KD | KD | KD | KD |
| Revenues | | - | 400 | - | 10,400 |
| Cost of revenues | | (3,914) | (4,414) | (7,729) | (18,229) |
| **Gross loss** | | (3,914) | (4,014) | (7,729) | (7,829) |
| General and administrative expenses | | (78,245) | (12,864) | (94,106) | (35,035) |
| Interest income | | 23,364 | - | 23,364 | - |
| Other income | 12 | - | - | 390,528 | - |
| **(Loss) / profit for the period before deduction** | | (58,795) | (16,878) | 312,057 | (42,864) |
| Zakat | | - | - | (3,709) | - |
| **(Loss) / profit for the period** | | (58,795) | (16,878) | 308,348 | (42,864) |
| Other comprehensive income | | - | - | - | - |
| **Total comprehensive (loss) / income for the period** | | (58,795) | (16,878) | 308,348 | (42,864) |
| Attributable to: | | | | | |
| The parent Company's Shareholders | | (43,795) | (16,878) | 323,348 | (42,864) |
| Non-controlling interests | | (15,000) | - | (15,000) | - |
| | | (58,795) | (16,878) | 308,348 | (42,864) |
| Basic and diluted (loss) / earnings per share attributable to the Parent Company's Shareholders (fils) | 13 | (0.55) | (0.21) | 5.65 | (0.54) |

The accompanying notes on pages 6 to 18 form an integral part of this interim condensed consolidated financial information.

**Equipment Holding Company K.S.C.P. and its subsidiaries**
**State of Kuwait**

## Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the six months period ended 30 June 2026

| | Share capital | Share premium | Revaluation reserve | Accumulated losses | Total equity attributable to the Shareholders of the Parent Company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| | KD | KD | KD | KD | KD | KD | KD |
| **Balance as at 1 January 2025 (Audited)** | 8,000,000 | - | 318,297 | (5,580,441) | 2,737,856 | - | 2,737,856 |
| Total comprehensive loss for the period | - | - | - | (42,864) | (42,864) | - | (42,864) |
| Adjustments of revaluation surplus | - | - | (7,957) | 7,957 | - | - | - |
| **Balance as at 30 June 2025** | 8,000,000 | - | 310,340 | (5,615,348) | 2,694,992 | - | 2,694,992 |
| **Balance as at 1 January 2026 (Audited)** | 2,500,000 | - | 188,712 | (481,936) | 2,206,776 | - | 2,206,776 |
| Total comprehensive income / (loss) for the period | - | - | - | 323,348 | 323,348 | (15,000) | 308,348 |
| Issuance of share capital increase (Note 15) | 5,500,000 | 330,000 | - | - | 5,830,000 | - | 5,830,000 |
| Adjustments of revaluation surplus | - | - | (1,592) | 1,592 | - | - | - |
| Capital introduced by non-controlling interests (Note 3) | - | - | - | - | - | 25,000 | 25,000 |
| **Balance as at 30 June 2026** | 8,000,000 | 330,000 | 187,120 | (156,996) | 8,360,124 | 10,000 | 8,370,124 |

The accompanying notes on pages 6 to 18 form an integral part of this interim condensed consolidated financial information.

**Equipment Holding Company K.S.C.P. and its subsidiaries**
**State of Kuwait**

**Interim Condensed Consolidated Statement of Cash Flows (Unaudited)**
For the six months period ended 30 June 2026

| | Notes | For the six months ended 30 June 2026 KD | For the six months ended 30 June 2025 KD |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Profit / (loss) for the period before deduction | | 312,057 | (42,864) |
| *Adjustments for:* | | | |
| Depreciation | | 17,310 | 12,468 |
| Interest income | | (23,364) | - |
| Other income | 12 | (390,528) | - |
| Provision for end of service indemnity | | - | 1,080 |
| | | (84,525) | (29,316) |
| Change in operating assets and liabilities: | | | |
| Inventories | | - | 400 |
| Trade payables and other payables | | (503,585) | (4,998) |
| Trade receivables and other debit balances | | (1,250) | (35,927) |
| **Net cash flows used in operating activities** | | (589,360) | (69,841) |
| **INVESTING ACTIVITIES** | | | |
| Interest income received | | 17,687 | - |
| **Net cash flows generated from investing activities** | | 17,687 | - |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Repayment of term loans | | (300,000) | - |
| Capital introduced by non-controlling interests | 3 | 25,000 | - |
| Proceeds from issuance of share capital | 15 | 5,830,000 | - |
| **Net cash flows generated from financing activities** | | 5,555,000 | - |
| **Net increase / (decrease) in cash and cash equivalents** | | 4,983,327 | (69,841) |
| Cash and cash equivalents at the beginning of the period | | 33,724 | 688,554 |
| **Cash and cash equivalents at end of the period** | 7 | 5,017,051 | 618,713 |
| **Non-cash transaction:** | | | |
| Other income | | 390,528 | - |
| Trade payables and other payables | | (390,528) | - |

The accompanying notes on pages 6 to 18 form an integral part of this interim condensed consolidated financial information.

## 1. INCORPORATION AND ACTIVITY

Equipment Holding Company K.S.C.P. (the "Parent Company") was incorporated under No. 1424, Vol. 1 on 23 May 1999 and registered in Boursa Kuwait on 11 October 2004.

The Parent Company's objectives are as follows:

- Owning shares or interests of Kuwaiti or foreign companies and participation in establishing these companies.
- Participating in the management of Companies in which it owns shares or units.
- Lending the companies in which it holds shares and guaranteeing such companies before third parties.
- Owning movables and real estate required to achieve its activities pursuant to the limits prescribed by law.
- Acquisition of industrial rights and related intellectual properties or any other industrial trademarks or drawings and any other rights thereto, and renting thereof to other companies whether inside or outside Kuwait.
- Investing in financial, real estate and investment portfolios.

On 5 August 2025, the Parent Company's Extraordinary General Assembly approved the following:

- Decrease the Parent Company's authorized, issued, and paid-up capital from amounting KD 8,000,000 to KD 2,500,000 by extinguishing a portion of the accumulated losses as at 31 December 2024, by an amount of KD 5,500,000. The decrease was registered in the Parent Company's commercial register on 8 October 2025.

- Increase the Parent Company's authorized capital from KD 2,500,000 to KD 10,000,000, distributed over 100,000,000 shares with a nominal value of 100 fils per share, and to increase the Parent Company's issued and paid-up capital through a cash increase from KD 2,500,000 (two million five hundred thousand Kuwaiti Dinars) to KD 8,000,000 (eight million Kuwaiti Dinars), represent in an increase of KD 5,500,000 (five million five hundred thousand Kuwaiti Dinars), representing 55,000,000 shares (fifty-five million shares) at a nominal value of 100 fils per share, in addition to a share premium of 6 fils per share, to be effected through a public subscription allocated to shareholders registered in the Parent Company's shareholders register.

Accordingly, the Parent Company's capital will become as follows:

- The Parent Company's authorized capital is KD 10,000,000 (ten million Kuwaiti Dinars), distributed over 100,000,000 shares (hundred million shares), with nominal value of 100 fils per share. All shares are in cash.

- The Parent Company's issued and paid-up capital is KD 8,000,000 (eight million Kuwaiti Dinars), distributed over 80,000,000 shares (eighty million shares), with nominal value of 100 fils per share. All shares are in cash. Subsequent to the date of the consolidated financial statements, the capital increase has been subscribed. This was registered in the Parent Company's commercial register No. 77147 on 17 March 2026.

The address of the Parent Company's registered office is P.O. Box, 192, Safat 13002, State of Kuwait.

The Parent company is 22.611% owned by National Investments (Client portfolios).

This interim condensed consolidated financial information for the six months period ended 30 June 2026 were authorised for issue by the Board of Directors of the Parent Company on 29 July 2026.

## 2. BASIS OF PREPARATION

This interim condensed consolidated financial information has been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the financial year ended 31 December 2025 ("last annual consolidated financial statements").

The interim condensed consolidated financial information does not include all of the information required for complete annual consolidated financial statements and disclosures prepared in accordance with IFRS Accounting Standards.

In the opinion of the management, all adjustments (including recurring accruals) have been included in the interim condensed consolidated financial information. The operating results for the six months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026. For further information, refer to the annual audited consolidated financial statements of the Group and notes thereto for the financial year ended 31 December 2025.

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

### 2.1 Fundamental Accounting Concept

As at 30 June 2026, the Group's accumulated losses amounted to KD 156,996 (31 December 2025: KD 481,936 and 30 June 2025: KD 5,615,348).The current liabilities exceeded the current assets by Nil (31 December 2025: KD 1,080,345 and 30 June 2025: KD 764,748). the interim condensed consolidated financial information for the six months period ended 30 June 2026 has been prepared on a going concern basis.

The Group's ability to continue as a going concern depends on the availability of ongoing support from financial institutions (this means rescheduling term loans and medium/long-term bank facilities), creditors and shareholders, and the Group's ability to improve profitability and cash flows.

The management believes that it will be able to negotiate an extension of the payables as expected in the next phase. Therefore, the Group continues to apply the going concern principle in preparing this interim condensed consolidated financial information.

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.2 Changes in significant accounting policies

#### New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

*Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7*
In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments).
The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments had no impact on the Group's interim condensed consolidated financial information.

*Annual Improvements to IFRS accounting Standards – Volume 11*
In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments had no impact on the Group's interim condensed consolidated financial information.

*Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7*
In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity.
The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in - scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments had no impact on Group's interim condensed consolidated financial information.

## 3. BASIS OF CONSOLIDATION

This interim condensed consolidated financial information for the six months period ended 30 June 2026 includes the Parent Company and its subsidiaries.

The interim condensed financial information of the subsidiaries are consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Any intra-group balances and transactions, and any realised gains, losses, expenses, income and balances arising from intra-group transactions, are eliminated in preparing this interim condensed consolidated financial information.

The interim condensed consolidated financial information of Equipment Holding Company K.S.C.P. and its subsidiaries as follows:

| Name of subsidiary | Ownership (%) 30 June 2026 % | (Audited) 31 December 2025 % | 30 June 2025 % | Country of incorporation | Principal activities |
|---|---|---|---|---|---|
| Equipment Company- W.L.L (*) | 99 | 99 | 99 | State of Kuwait | Trading in equipment of construction |
| Al-Khadda International General Trading & Contracting Company – W.L.L(*) | 99 | 99 | 99 | State of Kuwait | Construction Contracts |
| Al Furat Group Holding Company - KSC (Closed) (*) | 96 | 96 | 96 | State of Kuwait | Investments |
| National Equipment Company For the trade of machinery, equipment and tools(*) | 99 | 99 | 99 | State of Kuwait | Trade of Machinery equipment and tools |
| Hundred Eighty Degree Company for Land and Real Estate Management and Development W.L.L. (**) | 75 | - | - | State of Kuwait | Buying and selling of land and real estate |

(*) The effective ownership interest of the Group in the subsidiary is 100%. Certain shares / units attributable to the subsidiary have been registered under the names of other parties who hold these shares / units on behalf of and for the benefit of the Group. They have been assigned based on official power of attorneys and written representations in favor of the Group.

(**) During the current period ended 30 June 2026, Equipment Holding Company K.S.C.P. incorporated Hundred Eighty Degree Company for Land and Real Estate Management and Development W.L.L. with a capital of KD 100,000. Equipment Holding Company K.S.C.P ownership in this subsidiary is 75% and non-controlling interests party owns the other 25% against payment of KD 25,000.

The interim condensed financial information of the subsidiaries was consolidated through interim condensed financial information prepared by the Management as at 30 June 2026.

## 4. TRADE RECEIVABLES AND OTHER DEBIT BALANCES

| | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|
| | KD | KD | KD |
| Trade receivables and debit balances from construction contracts | 9,432,701 | 9,432,701 | 9,438,534 |
| Provision for expected credit losses * | (9,432,701) | (9,432,701) | (9,400,347) |
| | - | - | 38,187 |
| Contract assets | 887,862 | 887,862 | 887,862 |
| Retention receivables | 619,648 | 619,648 | 619,648 |
| Accrued revenues | 275,917 | 275,917 | 265,917 |
| Accrued interest income | 5,677 | - | - |
| Prepayment | 5,000 | 5,000 | 7,500 |
| Advances to suppliers | 76,263 | 76,263 | 76,263 |
| Other debit balances | 27,885 | 26,635 | 24,135 |
| Provision for expected credit losses * | (374,540) | (374,540) | (109,997) |
| | 1,523,712 | 1,516,785 | 1,809,515 |

Trade receivables and other debit balances were presented in the interim condensed consolidated statement of financial position / consolidated statement of financial position as follows:

| | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|
| | KD | KD | KD |
| Non-current portion | 376,824 | 376,824 | 509,651 |
| Current portion | 1,146,888 | 1,139,961 | 1,299,864 |
| | 1,523,712 | 1,516,785 | 1,809,515 |

* Movement in the provision for expected credit loss during the period / year / period is as follows:

| | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|
| | KD | KD | KD |
| Balance as at beginning of the period / year / period | 9,807,241 | 9,510,344 | 9,510,344 |
| Charge during the period / year / period | - | 302,730 | - |
| Reversal during the period / year / period | - | (5,833) | - |
| Balance as at end of the period / year / period | 9,807,241 | 9,807,241 | 9,510,344 |

## 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|
| | KD | KD | KD |
| Foreign unquoted securities | 204,007 | 204,007 | - |
| | 204,007 | 204,007 | - |

## 6. INVENTORIES

| | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|
| | KD | KD | KD |
| Equipment for sale and spare parts | 1,537,412 | 1,537,412 | 1,537,412 |
| Less: provision for obsolete and slow-moving items | (1,480,938) | (1,480,938) | (1,480,938) |
| | 56,474 | 56,474 | 56,474 |

The Group mortgaged inventory with a book value of Nil (December 31, 2025: KD 36,600 and 30 June 2025: KD 36,600) with local banks against the term loans (Note 8).

## 7. CASH AND CASH EQUIVALENTS

| | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|
| | KD | KD | KD |
| Bank balances | 341,124 | 297,225 | 882,214 |
| Short term deposits * | 4,939,428 | - | - |
| Cash on hand | 11 | 11 | 11 |
| | 5,280,563 | 297,236 | 882,225 |

For the purpose of interim condensed consolidated statement of cash flows, cash and cash equivalents during the period / year / period is as follows:

| | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|
| | KD | KD | KD |
| Bank current accounts | 341,124 | 297,225 | 882,214 |
| Short term deposits* | 4,939,428 | - | - |
| Cash on hand | 11 | 11 | 11 |
| | 5,280,563 | 297,236 | 882,225 |
| Less | | | |
| Restricted bank balances ** | (263,512) | (263,512) | (263,512) |
| Cash and cash equivalents | 5,017,051 | 33,724 | 618,713 |

* Short term deposits represent in deposits placed with a local bank denominated in Kuwaiti Dinars, with an original maturity of three months or less from the date of placement, and carry an effective profit rate of 3.5% per annum (31 December 2025: Nil and 30 June 2025: Nil).

**This item represents in amounts restricted by the banks against issuance of bank grantees in favor of the Group as at 30 June 2026 (Note 14).

The Group has short-term deposits with a carrying value of KD 939,428 (31 December 2025: Nil and 30 June 2025: Nil) pledged in favor of a local bank against contingent liabilities (Note 14).

## 8. TERM LOANS

| **Effective interest rate** | **30 June 2026** | **(Audited) 31 December 2025** | **30 June 2025** |
|---|---|---|---|
| | KD | KD | KD |
| 4% over Central Bank of Kuwait discount rate | - | 300,000 | 400,000 |
| | - | 300,000 | 400,000 |

A term loan granted to one of the Group's subsidiaries from a local bank at an interest rate of 4% (31 December 2025: 4% and 30 June 2025: 4%) per annum over the Central Bank of Kuwait discount rate, and it is secured against guarantees provided by the Parent Company as of 30 June 2026. Inventory with a carrying value of Nil (31 December 2025: KD 36,600 and 30 June 2025: KD 36,600) has been mortaged as a guarantee against this term loan (Note 6).

During the current period ended 30 June 2026, the Group has fully settled the outstanding loan balance.

Presented below maturity profile of loans as follows:

| | **30 June 2026** | **(Audited) 31 December 2025** | **30 June 2025** |
|---|---|---|---|
| | KD | KD | KD |
| Non current portion | - | 200,000 | 300,000 |
| Current portion | - | 100,000 | 100,000 |
| | - | 300,000 | 400,000 |

## 9. DUE TO BANKS

| | **30 June 2026** | **(Audited) 31 December 2025** | **30 June 2025** |
|---|---|---|---|
| | KD | KD | KD |
| Current portion | 96,789 | 96,789 | 28,579 |
| | 96,789 | 96,789 | 28,579 |

## 10. TRADE PAYABLES AND OTHER PAYABLES

| | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|
| | KD | KD | KD |
| Trade payables | 611,217 | 1,210,011 | 1,584,568 |
| Retentions payable | 34,151 | 34,151 | 34,151 |
| Provision for a legal case | 359,084 | 359,084 | 359,084 |
| Employees' claims provisions | 569,509 | 569,509 | 580,808 |
| Due to a related party (Note 11) | 81 | 218,175 | 143,175 |
| Accrued expenses | 37,894 | 111,408 | 4,347 |
| Accrued interest expense | 4,830 | 4,830 | 4,830 |
| Other credit balances | 74,064 | 74,066 | 163,769 |
| | 1,690,830 | 2,581,234 | 2,874,732 |

During the current period ended 30 June 2026, the Group settled trade payables with a carrying amount of KD 907,000, based on an agreement and settlement with certain creditors, against payment of KD 516,472. This resulted in a gain of KD 390,528, which has been recognised as other income in the interim condensed consolidated statement of comprehensive income for the period ended 30 June 2026.

## 11. RELATED PARTIES' DISCLOSURES

Related parties represent major Shareholders, directors and senior management personnel of the Group, and companies controlled, or significantly influenced by such parties. The pricing policies and conditions for these transactions are approved by the Group's management. The significant related parties' balances and transactions are as follows:

**Balances included in the interim condensed consolidated statement of financial position / consolidated statement of financial position:**

| | Nature of the relationship | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|---|
| | | KD | KD | KD |
| ***Due to a related party included in trade payable and other payables*** | | | | |
| Due to a related party | Others | 81 | 218,175 | 143,175 |
| | | 81 | 218,175 | 143,175 |

## 12. OTHER INCOME

| | For the Six months period ended 30 June | |
|---|---|---|
| | 2026 | 2025 |
| | KD | KD |
| Settlement of trade and other payables (Note 10) | 390,528 | - |
| | 390,528 | - |

## 13. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE

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

The information necessary to calculate basic and diluted (loss) / earnings per share based on the weighted average number of shares outstanding during the period is as follows:

| | For the three months period ended 30 June | | For the Six months period ended 30 June | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Profit / (loss) for the period (KD) | (43,795) | (16,878) | 323,348 | (42,864) |
| Weighted average number of shares outstanding during the period (shares) | 80,000,000 | 80,000,000 | 57,209,945 | 80,000,000 |
| Basic and diluted (loss) / earnings per share attributable to shareholders of the parent company (fils) | (0.55) | (0.21) | 5.65 | (0.54) |

## 14. CONTINGENT LIABILITIES

At the date of the interim condensed consolidated statement of financial position / consolidated statement of financial position, the Group's contingent liabilities are as follow:

| | 30 June 2026 | (Audited) 31 December 2025 | 30 June 2025 |
|---|---|---|---|
| | KD | KD | KD |
| ***Contingent liabilities*** | | | |
| Letters of guarantees * | 1,034,990 | 1,526,832 | 1,850,527 |
| | 1,034,990 | 1,526,832 | 1,850,527 |

* As at 30 June 2026, letters of guarantees amounting to KD 854,025 are secured by the pledge of short-term deposits with a carrying value of KD 939,428 (31 December 2025: Nil and 30 June 2025: Nil) (Note 7). Moreover, there is restricted current bank accounts balance of KD 263,512 (31 December 2025: KD 263,512 and 30 June 2025: KD 263,512) against issuance of Letters of guarantees in favor of the Group (Note 7).

## 15. ANNUAL GENERAL ASSEMBLY MEETING

The Annual General Assembly Meeting of the Parent Company's Shareholders held on 7 May 2026 approved the consolidated financial statements for the year ended 31 December 2025 and approved not to distribute dividends to Shareholders, and not to pay remuneration to the Board of Directors for the year ended 31 December 2025.

On 5 August 2025, the Parent Company's Extraordinary General Assembly approved the following:

- Decrease the Parent Company's authorized, issued, and paid-up capital from amounting KD 8,000,000 to KD 2,500,000 by extinguishing a portion of the accumulated losses as at 31 December 2024, by an amount of KD 5,500,000. The decrease was registered in the Parent Company's commercial register on 8 October 2025.
- Increase the Parent Company's authorized capital from KD 2,500,000 to KD 10,000,000, distributed over 100,000,000 shares with a nominal value of 100 fils per share, and to increase the Parent Company's issued and paid-up capital through a cash increase from KD 2,500,000 (two million five hundred thousand Kuwaiti Dinars) to KD 8,000,000 (eight million Kuwaiti Dinars), represent in an increase of KD 5,500,000 (five million five hundred thousand Kuwaiti Dinars), representing 55,000,000 shares (fifty-five million shares) at a nominal value of 100 fils per share, in addition to a share premium of 6 fils per share, to be effected through a public subscription allocated to shareholders registered in the Parent Company's shareholders register.

Accordingly, the Parent Company's capital will become as follows:

- The Parent Company's authorized capital is KD 10,000,000 (ten million Kuwaiti Dinars), distributed over 100,000,000 shares (hundred million shares), with nominal value of 100 fils per share. All shares are in cash.
- The Parent Company's issued and paid-up capital is KD 8,000,000 (eight million Kuwaiti Dinars), distributed over 80,000,000 shares (eighty million shares), with nominal value of 100 fils per share. All shares are in cash. The capital increase has been subscribed and this was registered in the Parent Company's commercial register No. 77147 on 17 March 2026.

The Annual General Assembly Meeting of the Parent Company's Shareholders held on 29 May 2025 approved the consolidated financial statements for the year ended 31 December 2024 and approved not to distribute dividends to Shareholders, and not to pay remuneration to the Board of Directors for the year ended 31 December 2024.

## 16. SEGMENT INFORMATION

The Group is organised into functional divisions to manage its various lines of business. The Group operates in the State of Kuwait. For the purposes of segment reporting, the Group's management has grouped its activities into the following business segments:

- Trading in construction equipment
- Contracts
- Others

| | **For the six months period ended 30 June 2026** | | | |
|---|---|---|---|---|
| | Trading in construction equipment KD | Contracts KD | Others KD | Total KD |
| Segment revenues | - | - | 390,528 | 390,528 |
| Segment results | 23,364 | (7,729) | 292,713 | 308,348 |
| Total assets | 1,208,870 | 3,619,624 | 5,331,367 | 10,159,861 |
| Total liabilities | 248,977 | 1,480,062 | 60,698 | 1,789,737 |

| | **(Audited) As at 31 December 2025** | | | |
|---|---|---|---|---|
| | Trading in construction equipment KD | Contracts KD | Others KD | Total KD |
| Segment revenues | 400 | 20,000 | 470 | 20,870 |
| Segment results | 209,840 | (376,399) | (246,872) | (413,431) |
| Total assets | 1,214,678 | 3,636,935 | 335,304 | 5,186,917 |
| Total liabilities | 612,222 | 2,062,817 | 305,102 | 2,980,141 |

| | **For the six months period ended 30 June 2025** | | | |
|---|---|---|---|---|
| | Trading in construction equipment KD | Contracts KD | Others KD | Total KD |
| Segment revenues | 400 | 10,000 | - | 10,400 |
| Segment results | - | (7,829) | (35,035) | (42,864) |
| Total assets | 1,653,734 | 4,215,730 | 130,957 | 6,000,421 |
| Total liabilities | 715,903 | 2,295,483 | 294,043 | 3,305,429 |

## 17. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information / consolidated financial statements are categorised within the fair value hierarchy, described as below, based on the lowest level input that is significant to the fair value measurement as a whole:

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.

The following table presents the Group's non financial assets measured at fair value, by level of fair value hierarchy:

| | **Level 3** | **Total** |
|---|---|---|
| | KD | KD |
| ***As at 30 June 2026*** | | |
| ***Financial assets*** | | |
| *Financial assets at fair value through profit or loss* | 204,007 | 204,007 |
| ***Non-financial assets*** | | |
| *Revalued right of use* | | |
| Leasehold land | 2,875,000 | 2,875,000 |
| *Revalued property, plant and equipment* | | |
| Building | 149,318 | 149,318 |
| | 3,024,318 | 3,024,318 |
| ***As at 31 December 2025 (Audited)*** | | |
| ***Financial assets*** | | |
| *Financial assets at fair value through profit or loss* | 204,007 | 204,007 |
| ***Non-financial assets*** | | |
| *Revalued right of use* | | |
| Leasehold land | 2,875,000 | 2,875,000 |
| *Revalued property, plant and equipment* | | |
| Building | 159,000 | 159,000 |
| | 3,034,000 | 3,034,000 |
| ***As at 30 June 2025*** | | |
| ***Non-financial assets*** | | |
| *Revalued right of use* | | |
| Leasehold land | 3,000,000 | 3,000,000 |
| *Revalued property, plant and equipment* | | |
| Building | 161,320 | 161,320 |
| | 3,161,320 | 3,161,320 |

## 17.FAIR VALUE MEASUREMENT (CONTINUED)

Reconciliation of Level 3 fair value measurements:

| | Financial assets at fair value through other comprehensive income |
|---|---|
| | KD |
| *Financial assets* | |
| **As at 30 June 2026** | |
| As at 1 January 2026 | 204,007 |
| **30 June 2026** | 204,007 |
| **31 December 2025** ***(Audited)*** | |
| **As at 1 January 2025** | - |
| Change in fair value | 204,007 |
| **31 December 2025** | 204,007 |

| | Leasehold land | Building |
|---|---|---|
| | KD | KD |
| *Non-financial assets* | | |
| **30 June 2026** | | |
| As at 1 January 2026 | 2,875,000 | 159,000 |
| Depreciation during the peroid | - | (9,682) |
| **30 June 2026** | 2,875,000 | 149,318 |
| **31 December 2025** ***(Audited)*** | | |
| As at 1 January 2025 | 3,000,000 | 171,002 |
| Depreciation during the year | - | (19,353) |
| Revaluation adjustment | (125,000) | 7,351 |
| **31 December 2025** | 2,875,000 | 159,000 |
| **30 June 2025** | | |
| As at 1 January 2025 | 3,000,000 | 171,002 |
| Depreciation during the peroid | - | (9,682) |
| **30 June 2025** | 3,000,000 | 161,320 |

The Parent Company's management believes that there are no material changes in the fair value of the revalued right of use and revalued property, plant and equipment during the six month period ended 30 June 2026. The revalued right of use and revalued property, plant and equipment are classified as Level 3 in the fair value hierarchy.

There were no transfers from Level 3 for the current and comparative periods.

## 18. LEGAL CLAIMS

There are legal claims represented in legal cases filed by the Group against third parties and by third parties against the Group. It is not possible to estimate the results that will arise from these legal claims until they are ruled by courts.

## 19. SIGNIFICANT EVENT

The significant event represents in geopolitical tension escalated in Middle east that has affected the global markets as well as Kuwait market which may have impacted the Group's operation activities, assets and results.

The Group's Management will take into consideration the effects of the geopolitical tension on the Group's assets and activities. A reliable estimate of the impact cannot be made as of the date of the issuance of the interim condensed consolidated financial information. The outcome and implication are still unknown as it depends on the magnitude and duration of these events.