

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

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

30 JUNE 2026



**Shape the future
with confidence**

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Munshaat Real Estate Projects Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 June 2026, and the related interim condensed consolidated statement of profit or loss and the interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

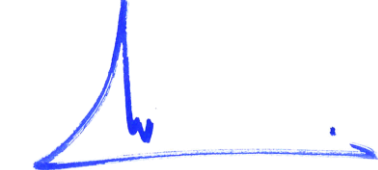
Conclusion

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

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the six-month period ended 30 June 2026 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority (“CMA”) and organisation of security activity and its executive regulations, as amended, during the six-month period ended 30 June 2026 that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER

LICENCE NO. 207 A

EY

AL-AIBAN, AL-OSAIMI & PARTNERS

6 August 2026

Kuwait

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

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

For the period ended 30 June 2026

	<i>Notes</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2026 KD</i>	<i>2025 KD</i>	<i>2026 KD</i>	<i>2025 KD</i>
Operating revenue	4	5,924,615	6,510,568	11,819,385	11,963,127
Operating costs	4	(2,665,739)	(3,398,956)	(5,683,885)	(6,665,077)
Net results from hotel operations	4	3,258,876	3,111,612	6,135,500	5,298,050
Net income from Sukuk		172,891	280,030	679,755	724,621
Net income from investment properties	6.b	293,667	311,436	583,329	612,659
Income from wakala receivables		15,049	11,885	33,619	37,116
Unrealised (loss) gain from financial assets at fair value through profit or loss		(955)	20,695	(1,600)	47,006
Share of results of associates	7	1,105,866	942,026	2,350,640	2,351,599
Other income		73,268	96,793	131,341	269,418
General and administrative expenses		(293,941)	(308,973)	(600,986)	(599,358)
Depreciation of furniture and equipment		(12,196)	(13,205)	(24,591)	(26,407)
Management fees income	8	182,659	169,451	379,194	374,460
Finance costs on Islamic finance payables	8	(369,368)	(446,704)	(737,073)	(897,056)
Finance costs on lease obligations		(199,970)	(206,482)	(399,153)	(415,159)
Finance costs arising on the unwinding of discount on long-term provisions and liabilities		-	(43,264)	-	(90,230)
Net foreign exchange differences		112,044	(408,673)	332,406	(370,768)
Reversal of expected credit losses - net		3,490	11,548	4,906	12,407
PROFIT BEFORE TAX		4,341,380	3,528,175	8,867,287	7,328,358
Overseas taxation		8,902	(44,982)	(28,293)	(45,068)
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(37,959)	(21,657)	(78,087)	(47,955)
National Labour Support Tax ("NLST")		(78,552)	(84,763)	(175,415)	(161,288)
Zakat		(31,421)	(33,905)	(70,166)	(64,515)
PROFIT FOR THE PERIOD		4,202,350	3,342,868	8,515,326	7,009,532
Attributable to:					
Equity holders of the Parent Company		3,648,044	3,075,363	7,357,680	6,395,448
Non-controlling interests		554,306	267,505	1,157,646	614,084
PROFIT FOR THE PERIOD		4,202,350	3,342,868	8,515,326	7,009,532
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	5	11.33 Fils	9.55 Fils	22.85 Fils	19.86 Fils

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2026

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2026	2025	2026	2025
	KD	KD	KD	KD
PROFIT FOR THE PERIOD	4,202,350	3,342,868	8,515,326	7,009,532
Other comprehensive (loss) income				
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(43,487)	244,613	(163,462)	221,126
Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods	(43,487)	244,613	(163,462)	221,126
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>				
Net gain on equity instruments at FVOCI	104,342	22,825	16,643	126,787
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	104,342	22,825	16,643	126,787
Other comprehensive income (loss) for the period	60,855	267,438	(146,819)	347,913
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,263,205	3,610,306	8,368,507	7,357,445
Attributable to:				
Equity holders of the Parent Company	3,734,752	3,243,483	7,281,668	6,653,970
Non-controlling interests	528,453	366,823	1,086,839	703,475
	4,263,205	3,610,306	8,368,507	7,357,445

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (UNAUDITED)
As at 30 June 2026

		30 June 2026 KD	(Audited) 31 December 2025 KD	30 June 2025 KD
	Notes			
ASSETS				
Non-current assets				
Furniture and equipment		120,739	145,303	167,179
Right-of-use asset	6.a	39,149,471	40,101,205	40,552,008
Investment properties	6.b	11,483,380	11,645,920	11,872,377
Investment in associates	7	12,744,907	17,026,937	16,512,791
Investment securities		708,594	693,551	613,084
		<u>64,207,091</u>	<u>69,612,916</u>	<u>69,717,439</u>
Current assets				
Accounts receivable and prepayments		18,017,942	8,597,999	12,413,609
Trading properties		439,199	439,199	376,454
Wakala receivable		720,000	650,000	650,000
Bank balances and cash		5,442,828	4,865,675	6,035,941
		<u>24,619,969</u>	<u>14,552,873</u>	<u>19,476,004</u>
TOTAL ASSETS		<u>88,827,060</u>	<u>84,165,789</u>	<u>89,193,443</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	9	32,200,000	32,200,000	32,200,000
Statutory reserve		1,222,377	1,222,377	-
Other reserve		(309,291)	(309,291)	(309,291)
Fair value reserve		(1,723,986)	(1,740,629)	(1,848,679)
Foreign currency translation reserve		(478,157)	(385,502)	(390,359)
Retained earnings		16,474,675	10,726,995	6,228,682
		<u>Equity attributable to equity holders of the Parent Company</u>	<u>47,385,618</u>	<u>41,713,950</u>
Non-controlling interests		<u>(8,243,703)</u>	<u>(9,330,542)</u>	<u>(9,474,876)</u>
Total equity		<u>39,141,915</u>	<u>32,383,408</u>	<u>26,405,477</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		855,702	833,836	812,072
Islamic finance payables	10	23,249,160	23,249,160	27,985,127
Obligations under finance lease		11,330,037	12,125,485	11,733,661
Accounts payable and accruals		-	-	4,619,595
		<u>35,434,899</u>	<u>36,208,481</u>	<u>45,150,455</u>
Current liabilities				
Islamic finance payables	10	4,735,940	4,735,940	4,735,945
Obligations under finance lease		1,313,760	1,339,040	1,338,560
Accounts payable and accruals		8,200,546	9,498,920	11,563,006
		<u>14,250,246</u>	<u>15,573,900</u>	<u>17,637,511</u>
Total liabilities		<u>49,685,145</u>	<u>51,782,381</u>	<u>62,787,966</u>
TOTAL EQUITY AND LIABILITIES		<u>88,827,060</u>	<u>84,165,789</u>	<u>89,193,443</u>

Nawaf Musaid Abdulaziz Al-Osaimi
Chairman

Eisa Najib Abdulmohsen Al Eisa
Chief Executive Officer

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2026

	<i>Equity attributable to equity holders of the Parent Company</i>							<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Other reserve KD</i>	<i>Fair value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings/ (accumulated losses) KD</i>	<i>Sub-total KD</i>		
As at 1 January 2026	32,200,000	1,222,377	(309,291)	(1,740,629)	(385,502)	10,726,995	41,713,950	(9,330,542)	32,383,408
Profit for the period	-	-	-	-	-	7,357,680	7,357,680	1,157,646	8,515,326
Other comprehensive income (loss) for the period	-	-	-	16,643	(92,655)	-	(76,012)	(70,807)	(146,819)
Total comprehensive income (loss) for the period	-	-	-	16,643	(92,655)	7,357,680	7,281,668	1,086,839	8,368,507
Dividends (Note 1)	-	-	-	-	-	(1,610,000)	(1,610,000)	-	(1,610,000)
At 30 June 2026	32,200,000	1,222,377	(309,291)	(1,723,986)	(478,157)	16,474,675	47,385,618	(8,243,703)	39,141,915
As at 1 January 2025	32,200,000	-	(309,291)	(1,975,466)	(522,094)	(166,766)	29,226,383	(10,178,351)	19,048,032
Profit for the period	-	-	-	-	-	6,395,448	6,395,448	614,084	7,009,532
Other comprehensive income for the period	-	-	-	126,787	131,735	-	258,522	89,391	347,913
Total comprehensive income for the period	-	-	-	126,787	131,735	6,395,448	6,653,970	703,475	7,357,445
At 30 June 2025	32,200,000	-	(309,291)	(1,848,679)	(390,359)	6,228,682	35,880,353	(9,474,876)	26,405,477

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2026

		Six months ended	
		30 June	
	Notes	2026 KD	2025 KD
OPERATING ACTIVITIES			
Profit before tax		8,867,287	7,328,358
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation of furniture and equipment		24,591	26,407
Depreciation of right-of-use asset	6.a	1,335,081	1,522,143
Valuation loss on investment properties	6.b	162,540	122,983
Unrealised loss (gain) from financial assets at fair value through profit or loss		1,600	(47,006)
Reversal of expected credit losses – net		(4,906)	(12,407)
Income from wakala receivables		(33,619)	(37,116)
Share of results of associates	7	(2,350,640)	(2,351,599)
Finance costs on Islamic finance payables	8	737,073	897,056
Finance costs on lease obligations		399,153	415,159
Finance costs arising on the unwinding of discount on long-term provisions and liabilities		-	90,230
Net foreign exchange differences		(332,406)	370,768
Provision for employees’ end of service benefits		35,670	47,398
		8,841,424	8,372,374
<i>Working capital changes:</i>			
Accounts receivable and prepayments		(2,814,852)	(4,486,886)
Accounts payable and accruals		(1,177,262)	(3,096,941)
Cash flows from operations		4,849,310	788,547
Employees’ end of service benefits paid		(13,827)	-
Taxes paid		(1,119,702)	(448,834)
Net cash flows from operating activities		3,715,781	339,713
INVESTING ACTIVITIES			
Purchase of furniture and equipment		(70)	(655)
Additions to right-of-use asset	6.a	(205,625)	(119,485)
Income received from wakala receivables		49,294	51,794
Net movement in wakala receivables		(70,000)	(50,000)
Proceeds from capital redemption of financial assets at FVOCI		-	52,705
Net cash flows used in investing activities		(226,401)	(65,641)
FINANCING ACTIVITIES			
Net repayment of obligations under finance lease		(1,326,640)	(1,320,560)
Dividends paid		(1,590,491)	(269)
Net cash flows used in financing activities		(2,917,131)	(1,320,829)
NET INCREASE (DECREASE) IN BANK BALANCES AND CASH		572,249	(1,046,757)
Net foreign exchange difference		4,904	(8,513)
Bank balances and cash 1 January		4,865,675	7,091,211
BANK BALANCES AND CASH AT 30 JUNE		5,442,828	6,035,941
NON-CASH ITEMS EXCLUDED FROM THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS:			
Proceeds from capital redemption of associate (adjusted with “accounts receivable and prepayments”)	7	6,659,185	-

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Munshaat Real Estate Projects Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2026 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 6 August 2026.

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved by the shareholders at the annual general assembly meeting (“AGM”) held on 13 April 2026. The Board of Directors of the Parent Company in their meeting held on 12 February 2026, proposed a cash dividend of 5 fils per share (aggregating to KD 1,610,000) for the year ended 31 December 2025 (2024: KD Nil). This proposal was subsequently approved by the shareholders at the annual general assembly meeting (“AGM”) held on 13 April 2026.

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

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

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

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2025.

3 CHANGES TO THE GROUP’S ACCOUNTING POLICIES

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 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.

Amendments to the Classification and Measurement of Financial Instruments

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:

- ▶ A clarification that a financial liability is recognise on the ‘settlement date’ and the introduction of an accounting policy choice (if specific conditions are met) to recognise 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 amendment did not have an impact on the interim condensed consolidated financial information of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

3 CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

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 amendment did not have an impact on the interim condensed consolidated financial information of the Group.

4 OPERATING REVENUE AND COSTS

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2026	2025	2026	2025
	KD	KD	KD	KD
Operating revenue				
Hotel revenue	5,924,615	6,510,568	11,819,385	11,963,127
Operating costs				
Hotel operating costs	(2,019,580)	(2,639,129)	(4,348,804)	(5,142,934)
Depreciation of right-of-use asset (Note 6.a)	(646,159)	(759,827)	(1,335,081)	(1,522,143)
	(2,665,739)	(3,398,956)	(5,683,885)	(6,665,077)
Net results from hotel operations	3,258,876	3,111,612	6,135,500	5,298,050

5 EARNINGS PER SHARE (EPS)

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

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2026	2025	2026	2025
Profit for the period attributable to the equity holders of the Parent Company (KD)	3,648,044	3,075,363	7,357,680	6,395,448
Weighted average number of ordinary shares outstanding during the period (shares)	322,000,000	322,000,000	322,000,000	322,000,000
Basic and diluted EPS (Fils)	11.33	9.55	22.85	19.86

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

6 RIGHT-OF-USE ASSET AND INVESTMENT PROPERTIES
a. Right-of-use asset

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

	30 June 2026 KD	<i>(Audited)</i> 31 December 2025 KD	30 June 2025 KD
At the beginning of the period/year	40,101,205	42,163,382	42,163,382
Depreciation of right-of-use asset (Note 4)	(1,335,081)	(3,066,697)	(1,522,143)
Additions	205,625	1,204,088	119,485
Exchange differences	177,722	(199,568)	(208,716)
At the end of the period/year	39,149,471	40,101,205	40,552,008

b. Investment properties

Investment property comprises of a leasehold shopping mall that is held to earn rental income.

	30 June 2026 KD	<i>(Audited)</i> 31 December 2025 KD	30 June 2025 KD
At the beginning of the period/year	11,645,920	11,995,360	11,995,360
Net loss from fair value remeasurement	(162,540)	(349,440)	(122,983)
At the end of the period/year	11,483,380	11,645,920	11,872,377

The fair value of investment properties was independently determined as at 31 December 2025 by accredited independent valuers who are specialised in valuing such type of properties. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the interim period. For properties located in KSA, management updated certain assumptions to reflect the latest information and developments mainly based on renewed lease agreement for the investment property and the market conditions existing at the end of the interim reporting period resulting in a remeasurement loss of KD 162,540 (30 June 2025: KD 122,983) for the period then ended. (Note 11).

	<i>Three months ended</i> 30 June		<i>Six months ended</i> 30 June	
	2026 KD	2025 KD	2026 KD	2025 KD
Net loss from fair value remeasurement	(81,270)	(61,333)	(162,540)	(122,983)
Rental income derived from investment properties	374,937	372,769	745,869	735,642
Net income from investment properties	293,667	311,436	583,329	612,659

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

7 INVESTMENT IN ASSOCIATES

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

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

	30 June 2026 KD	(Audited) 31 December 2025 KD	30 June 2025 KD
At the beginning of the period/year	17,026,937	14,169,991	14,169,991
Share of results	2,350,640	2,995,952	2,351,599
Capital redemption*	(6,659,185)	(137,048)	-
Exchange differences	26,515	(1,958)	(8,799)
At the end of the period/year	12,744,907	17,026,937	16,512,791

*During the period, pursuant to the resolution dated 25 May 2026 of the Advisory Board of its associate, The Zamzam JV 2013, partial redemptions aggregating to KD 18,148,875 were approved for the venturers at 132 fils per unit. The Parent Company's share of the redemption amounted to KD 6,659,185.

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

8 RELATED PARTY DISCLOSURES

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

The following tables provide the total amount of transactions that have been entered into with related parties during the six and three months ended 30 June 2026 and 2025, as well as balances with related parties as at 30 June 2026, 31 December 2025 and 30 June 2025:

	<i>Major shareholder of the Ultimate Parent Company</i>	<i>Associates</i>	<i>Other related parties</i>	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>2026 KD</i>	<i>2025 KD</i>	<i>2026 KD</i>	<i>2025 KD</i>
Interim condensed consolidated statement of profit or loss:							
Management fees income	-	275,071	104,123	379,194	374,460	182,659	169,451
Income from wakala receivables	1,961	-	-	1,961	935	-	935
Finance costs	(737,073)	-	-	(737,073)	(897,056)	(369,368)	(446,704)
Management fees expense (<i>included in operating costs</i>)	-	-	(237,627)	(237,627)	(945,821)	(179,674)	(633,365)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

8 RELATED PARTY DISCLOSURES (continued)

	<i>Major shareholder of the Ultimate Parent Company KD</i>	<i>Parent Company KD</i>	<i>Major shareholders KD</i>	<i>Associates KD</i>	<i>Other related parties KD</i>	<i>30 June 2026 KD</i>	<i>(Audited) 31 December 2025 KD</i>	<i>30 June 2025 KD</i>
Interim condensed consolidated statement of financial position:								
Financial asset at FVPL	-	-	-	-	211,493	211,493	213,094	133,042
Financial asset at FVOCI	-	-	432,800	-	30,966	463,766	447,123	446,707
Bank balances and cash	2,795,005	-	-	-	-	2,795,005	3,209,402	1,975,089
Accounts receivable and prepayments - net of provisions	-	1,033	-	-	17,708,191	17,709,224	7,918,672	12,126,842
Accounts payable and accruals	-	-	29,471	-	679,859	709,330	599,927	1,919,438
Overseas taxation	-	40,976	88,134	207,842	520,401	857,353	952,527	833,294
Islamic finance payables	27,985,100	-	-	-	-	27,985,100	27,985,100	32,721,072

Compensation of key management personnel

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

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

	<i>Balances outstanding as at (Audited)</i>			<i>Transaction values for six months period ended</i>		<i>Transaction values for three months period ended</i>	
	<i>30 June 2026 KD</i>	<i>31 December 2025 KD</i>	<i>30 June 2025 KD</i>	<i>30 June 2026 KD</i>	<i>30 June 2025 KD</i>	<i>30 June 2026 KD</i>	<i>30 June 2025 KD</i>
Salaries and short-term benefits	86,464	85,435	83,065	163,951	168,768	84,186	96,766
Post-employment benefits	379,892	362,512	341,876	18,437	17,029	9,219	9,053
	<u>466,356</u>	<u>447,947</u>	<u>424,941</u>	<u>182,388</u>	<u>185,797</u>	<u>93,405</u>	<u>105,819</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

8 RELATED PARTY DISCLOSURES (continued)

Compensation of key management personnel (continued)

The Board of Directors of the Parent Company in their meeting held on 12 February 2026 proposed a remuneration to the board members of KD 50,000 for the year ended 31 December 2025 (2024: KD 10,000). This proposal was approved by the shareholders at the annual general assembly meeting ("AGM") held on 13 April 2026.

9 SHARE CAPITAL

	30 June 2026 KD	<i>(Audited)</i> 31 December 2025 KD	30 June 2025 KD
Authorised, issued and paid-up share capital consists of 322,000,000 (31 December 2025: 322,000,000 and 30 June 2025: 322,000,000) shares of 100 fils each, paid in cash.	32,200,000	32,200,000	32,200,000

10 ISLAMIC FINANCE PAYABLES

	30 June 2026 KD	<i>(Audited)</i> 31 December 2025 KD	30 June 2025 KD
Non-current			
Tawarruq payable	23,249,160	23,249,160	27,985,127
Current			
Tawarruq payable	4,735,940	4,735,940	4,735,945
	27,985,100	27,985,100	32,721,072

Islamic finance payables bear a finance cost of 5.25% (31 December 2025: 5.48%; 30 June 2025: 5.50%) per annum and are repayable over a period of 10 years in annual instalments starting from 1 December 2022 and maturing on 1 December 2031, in accordance with the terms of the underlying Islamic financing arrangement.

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

11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value hierarchy

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

	<i>Fair value measurement using</i>			
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant observable inputs (Level 2) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
<i>As at 30 June 2026</i>				
Financial assets at FVOCI	432,800	-	30,966	463,766
Financial assets at FVPL	-	-	244,828	244,828
Investment properties	-	-	11,483,380	11,483,380
	<u>432,800</u>	<u>-</u>	<u>11,759,174</u>	<u>12,191,974</u>
<i>As at 31 December 2025 (Audited)</i>				
Financial assets at FVOCI	417,399	-	29,724	447,123
Financial assets at FVPL	-	-	246,428	246,428
Investment properties	-	-	11,645,920	11,645,920
	<u>417,399</u>	<u>-</u>	<u>11,922,072</u>	<u>12,339,471</u>
<i>As at 30 June 2025</i>				
Financial assets at FVOCI	318,626	-	128,081	446,707
Financial assets at FVPL	-	-	166,377	166,377
Investment properties	-	-	11,872,377	11,872,377
	<u>318,626</u>	<u>-</u>	<u>12,166,835</u>	<u>12,485,461</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair values

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

	<i>Level 3 securities</i>			
	<i>Financial assets at FVOCI KD</i>	<i>Financial assets at FVPL KD</i>	<i>Investment properties KD</i>	<i>Total KD</i>
30 June 2026				
As at 1 January 2026	29,724	246,428	11,645,920	11,922,072
Remeasurement recognised in OCI	1,242	-	-	1,242
Remeasurement recognised in profit or loss	-	(1,600)	(162,540)	(164,140)
As at 30 June 2026	30,966	244,828	11,483,380	11,759,174
<i>Level 3 securities</i>				
	<i>Financial assets at FVOCI KD</i>	<i>Financial assets at FVPL KD</i>	<i>Investment properties KD</i>	<i>Total KD</i>
31 December 2025 (Audited)				
As at 1 January 2025	105,511	119,371	11,995,360	12,220,242
Remeasurement recognised in OCI	(23,082)	-	-	(23,082)
Remeasurement recognised in profit or loss	-	127,057	(349,440)	(222,383)
Redemptions	(52,705)	-	-	(52,705)
As at 31 December 2025	29,724	246,428	11,645,920	11,922,072
<i>Level 3 securities</i>				
	<i>Financial assets at FVOCI KD</i>	<i>Financial assets at FVPL KD</i>	<i>Investment properties KD</i>	<i>Total KD</i>
30 June 2025				
As at 1 January 2025	105,511	119,371	11,995,360	12,220,242
Remeasurement recognised in OCI	75,275	-	-	75,275
Remeasurement recognised in profit or loss	-	47,006	(122,983)	(75,977)
Redemptions	(52,705)	-	-	(52,705)
As at 30 June 2025	128,081	166,377	11,872,377	12,166,835

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Listed investment in equity securities

Fair values of publicly traded equity securities are based on quoted market prices in an active market for identical assets without any adjustments. The Group classifies the fair value of these investments as Level 1 of the hierarchy.

Unlisted equity investments

The Group invests in private equity companies that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Group determines the fair value of its investment based on its share of the net book value of each investee company, since the underlying assets of these investee companies are investment properties that are measured at fair value at the reporting date using valuation methods consistent with the principles in IFRS 13 'Fair Value Measurement'. The Group classifies the fair value of these investments as Level 3.

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

Unquoted funds

The Group invests in managed funds, including private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods. The management considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate. Therefore, the net asset value (NAV) of these investee funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the investee fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the investee fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the investee fund, the Group classifies these funds as Level 3.

Investment properties

The fair value of investment properties was independently determined as at 31 December 2025 by accredited independent valuers who are specialised in valuing such type of properties. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the interim period. For properties located in KSA, management updated certain assumptions to reflect the latest information and developments mainly based on renewed lease agreement for the investment property and the market conditions existing at the end of the interim reporting period resulting in a remeasurement loss of KD 162,540 (30 June 2025: KD 122,983) for the period then ended. (Note 6)

Other financial assets and liabilities

Fair value of other financial instruments is not materially different from their carrying values, at the reporting date, as most of these instruments are of short-term maturity or re-priced immediately based on market movement in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

Sensitivity analysis

The management assessed that the impact on profit or loss or other comprehensive income would be immaterial if the relevant risk variables used to fair value the financial instruments classified as level3 were altered by 5 percent.

12 SEGMENT INFORMATION

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

The Group, including associates are primarily engaged in real estate activities and accordingly no separate business segment is presented.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

12 SEGMENT INFORMATION (continued)

The following table presents the geographical analysis of the Group's revenue and results for the periods ended 30 June 2026 and 2025 and assets and liabilities as at 30 June 2026, 31 December 2025 and 30 June 2025.

	30 June 2026 (Unaudited)			
	Kuwait KD	KSA KD	Other KD	Total KD
Interim condensed consolidated statement of profit or loss				
Revenues	391,974	13,256,232	9,616	13,657,822
Segment results	(456,141)	9,030,478	(59,011)	8,515,326
Other disclosures				
Depreciation and amortisation	(23,189)	(1,335,081)	(1,402)	(1,359,672)
Reversal of expected credit losses, net	-	4,906	-	4,906
	30 June 2025 (Unaudited)			
	Kuwait KD	KSA KD	Other KD	Total KD
Interim condensed consolidated statement of profit or loss				
Revenues	400,395	13,423,228	11,343	13,834,966
Segment results	(393,087)	7,431,543	(28,924)	7,009,532
Other disclosures				
Depreciation and amortisation	(25,713)	(1,522,144)	(694)	(1,548,551)
Reversal of expected credit losses, net	-	12,407	-	12,407
	30 June 2026 (Unaudited)			
	Kuwait KD	KSA KD	Other KD	Total KD
Interim condensed consolidated statement of financial position				
Total assets	13,975,581	74,149,753	701,726	88,827,060
Total liabilities	6,652,634	43,032,511	-	49,685,145

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2026

12 SEGMENT INFORMATION (continued)

	31 December 2025 (Audited)			
	Kuwait KD	KSA KD	Other KD	Total KD
<i>Consolidated statement of financial position</i>				
Total assets	6,893,052	76,538,694	734,043	84,165,789
Total liabilities	8,331,899	43,450,482	-	51,782,381
	30 June 2025 (Unaudited)			
	Kuwait KD	KSA KD	Other KD	Total KD
<i>Interim condensed consolidated statement of financial position</i>				
Total assets	7,638,942	80,885,149	669,352	89,193,443
Total liabilities	7,828,825	54,952,318	6,823	62,787,966

13 IMPACT OF GEOPOLITICAL ESCALATION RISK AND RELATED UNCERTAINTY

The Group operates in a global and regional economic environment that continues to be affected by heightened geopolitical tensions in the Middle East. Recent developments in the region have increased uncertainty in financial markets, energy supply and costs, regional security conditions, and global trade routes. The wider regional impact of these events may affect economic conditions relevant to the various sectors. Management has assessed the potential impacts of the geopolitical situation on the Group's operations and financial position, taking into consideration:

- ▶ Macroeconomic conditions, including inflationary pressures, interest rate volatility, and economic growth trends that may influence tenant demand, occupancy levels, and rental rates.
- ▶ Financing and liquidity, including the availability and cost of debt financing, refinancing risk, and compliance with financial covenants.
- ▶ Tenant credit risk, particularly in sectors or geographies that may be indirectly affected by disruptions in trade, energy markets, or regional economic activity.
- ▶ Foreign exchange risk, arising from increased currency volatility in markets linked to the region.

As at the reporting date, the Group has not experienced any material disruption to its core operations. Accordingly, management has not identified any material adverse impacts on the overall valuation of the property that require specific adjustment beyond those reflected in observable market prices and valuation inputs.

In assessing the carrying values of investment properties and other non-financial assets, management has not identified any indicators of impairment requiring recognition at the reporting date. However, future adverse developments in the geopolitical environment may result in changes to key valuation assumptions.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and concluded that the going-concern basis remains appropriate. The geopolitical situation remains dynamic, and the extent and duration of potential impacts on global financial markets are uncertain. Management continues to monitor developments closely and will reflect any material impacts in future valuations, risk disclosures, and financial reporting as appropriate.