شركة التسهيلات التجارية ش.م.ك
COMMERCIAL FACILITIES CO. s.a.k

Commercial Facilities Company S.A.K.P.
and Subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information
and Independent Auditor's Review Report
for the six-month period ended 30 June 2026
(Unaudited)

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Commercial Facilities Company S.A.K.P.
State of Kuwait

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Facilities Company S.A.K.P. ("the Parent Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2026, and the related interim condensed consolidated statements of profit or loss, comprehensive income for the three month and six month periods then ended, and 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 the basis of preparation as disclosed in Note (2). 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 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 the basis of preparation set out in Note (2).

Report on Other Legal and Regulatory Requirements

Further, based on our review, the interim condensed consolidated financial information is in agreement with the books 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 and Articles of Association, as amended, have occurred during the six-months period ended 30 June 2026 that might have had a material effect on the business of the Group 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 material violations of the provisions of Law No. 32 of 1968 as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business and its related regulation or of the provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the six-months period ended 30 June 2026, that might have had a material effect on the business of the Group or on its consolidated financial position.

Ali B. Al-Wazzan
License No. 246 A
Deloitte & Touche - Al-Wazzan & Co.

Kuwait
09 August 2026

شركة التسهيلات التجارية ش.م.ك
COMMERCIAL FACILITIES CO. s.a.k

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

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Assets				
Cash and bank balances	3	14,389	19,667	17,768
Other receivables and prepayments		318	694	315
Finance receivables	4	166,973	178,327	172,981
Investments in securities	5	70,035	89,360	70,454
Investment in associates	6	20,669	6,217	17,628
Investment properties		1,798	40,156	1,715
Property and equipment		3,352	3,223	3,017
Total assets		277,534	337,644	283,878
Liabilities and equity				
Liabilities				
Due to banks		1,663	2,112	1
Trade creditors and other liabilities		3,902	5,311	3,950
Term loans	7	108,452	140,334	112,772
Provision for staff indemnity		5,600	5,286	5,213
Total liabilities		119,617	153,043	121,936
Equity				
Share capital		53,676	53,676	53,676
Share premium		1,433	1,433	1,433
Legal reserve		54,291	54,291	54,291
Voluntary reserve		48,093	48,093	48,093
Fair value reserve		(5,704)	(7,318)	(6,501)
Foreign currency translation reserve		834	761	873
Land revaluation reserve		1,834	1,834	1,648
Treasury shares	9	(11,495)	(11,495)	(11,495)
Gain on sale of treasury shares		14	14	14
Retained earnings		14,897	26,695	19,833
Equity attributable to the shareholders of the Parent Company		157,873	167,984	161,865
Non-controlling interests		44	16,617	77
Total equity		157,917	184,601	161,942
Total liabilities and equity		277,534	337,644	283,878

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Ali Ibrahim Marafi
Chairman

Abdallah Saud Abdulaziz Al-Humaidhi
Vice Chairman and Chief Executive Officer

Commercial Facilities Company S.A.K.P. and Subsidiaries
State of Kuwait

شركة التسهيلات التجارية ش.م.ك
COMMERCIAL FACILITIES CO. s.a.k

Interim Condensed Consolidated Statement of Profit or Loss for the for the six-month period ended 30 June 2026 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2026	2025	2026	2025
Continuing operations					
Financing income		3,307	3,715	6,932	7,322
Share of results of associates	6	195	435	454	839
Interest income		91	130	243	288
Rental income from investment property		24	14	40	29
Net (loss)/ gain from investments	10	(808)	2,178	477	5,092
Gain on disposal of a subsidiary		260	-	260	-
Other income		19	12	28	18
Net foreign currency exchange gains		52	-	135	-
Total other (expense)/ income		(167)	2,769	1,637	6,266
Finance costs		(1,190)	(1,229)	(2,421)	(2,559)
Staff costs and related expenses		(977)	(914)	(1,957)	(1,828)
General and administrative expenses		(274)	(287)	(549)	(574)
Net foreign currency exchange loss		-	(199)	-	(173)
Total expenses		(2,441)	(2,629)	(4,927)	(5,134)
Profit before provision for credit loss		699	3,855	3,642	8,454
Reversal of provision/ (provision) for expected credit loss		281	1,792	(1,527)	423
Profit before taxation and Directors' remuneration		980	5,647	2,115	8,877
Provision for KFAS		(15)	(57)	(30)	(89)
Provision for NLST and Zakat		(15)	(182)	(59)	(296)
Provision for Directors' remuneration		(10)	(31)	(42)	(63)
Profit for the period from continuing operations		940	5,377	1,984	8,429
Discontinued operations					
Profit for the period from discontinued operations	15	464	-	890	-
Profit for the period		1,404	5,377	2,874	8,429
Attributable to:					
Shareholders of the Parent Company		1,161	5,376	2,416	8,427
Non-controlling interests		243	1	458	2
		1,404	5,377	2,874	8,429
Earnings per share					
From continuing operations – Fils	11	2	11	4	17
From continuing and discontinued operations – Fils	11	2	11	5	17

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Commercial Facilities Company S.A.K.P. and Subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Comprehensive Income
for the for the six-month period ended 30 June 2026
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	**2025**	**2026**	**2025**
Profit for the period	1,404	5,377	2,874	8,429
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign exchange translation of debt securities	3	(20)	10	(18)
Items that may not be reclassified subsequently to consolidated statement of profit or loss				
Foreign exchange translation adjustment	112	90	192	311
Change in fair value of investments at FVOTCI	96	(80)	(64)	(621)
Other comprehensive gain/ (loss) for the period	211	(10)	138	(328)
Total comprehensive income for the period	1,615	5,367	3,012	8,101
Attributable to:				
Shareholders of the Parent Company	1,370	5,366	2,543	8,099
Non-controlling interests	245	1	469	2
	1,615	5,367	3,012	8,101

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Commercial Facilities Company S.A.K.P. and Subsidiaries
State of Kuwait

شركة التسهيلات التجارية ش.م.ك
COMMERCIAL FACILITIES CO. s.a.k

Interim Condensed Consolidated Statement of Changes in Equity for the six-month period ended 30 June 2026 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Equity attributable to shareholders of the Parent Company												
	Share capital	Share premium	Legal reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Land revaluation reserve	Treasury shares	Gain on sale of treasury shares	Retained earnings	Total	Non-Controlling Interest	Total
Balance at 1 January 2026	53,676	1,433	54,291	48,093	(7,318)	761	1,834	(11,495)	14	26,695	167,984	16,617	184,601
Profit for the period	-	-	-	-	-	-	-	-	-	2,416	2,416	458	2,874
Change in fair value of financial assets at FVTOCI	-	-	-	-	(66)	-	-	-	-	-	(66)	2	(64)
Foreign currency translation adjustments	-	-	-	-	-	82	-	-	-	111	193	9	202
Loss on sale of financial assets at FVTOCI	-	-	-	-	1,124	-	-	-	-	(1,124)	-	-	-
Total comprehensive income for the period	-	-	-	-	1,058	82	-	-	-	1,403	2,543	469	3,012
On disposal of subsidiaries (Note 16)	-	-	-	-	556	(9)	-	-	-	(547)	-	(17,042)	(17,042)
Non- cash dividends (Note13)	-	-	-	-	-	-	-	-	-	(2,018)	(2,018)	-	(2,018)
Cash dividends (Note 13)	-	-	-	-	-	-	-	-	-	(10,636)	(10,636)	-	(10,636)
Balance at 30 June 2026	53,676	1,433	54,291	48,093	(5,704)	834	1,834	(11,495)	14	14,897	157,873	44	157,917
Balance at 1 January 2025	53,676	1,433	54,291	48,093	(6,205)	580	1,648	(11,495)	14	21,860	163,895	75	163,970
Profit for the period	-	-	-	-	-	-	-	-	-	8,427	8,427	2	8,429
Change in fair value of financial assets at FVTOCI	-	-	-	-	(621)	-	-	-	-	-	(621)	-	(621)
Foreign currency translation adjustments	-	-	-	-	-	293	-	-	-	-	293	-	293
Loss on sale of financial assets at FVTOCI	-	-	-	-	325	-	-	-	-	(325)	-	-	-
Total comprehensive income for the period	-	-	-	-	(296)	293	-	-	-	8,102	8,099	2	8,101
Cash dividends (Note 13)	-	-	-	-	-	-	-	-	-	(10,129)	(10,129)	-	(10,129)
Balance at 30 June 2025	53,676	1,433	54,291	48,093	(6,501)	873	1,648	(11,495)	14	19,833	161,865	77	161,942

The accompanying notes form an integral part of this interim condensed consolidated financial information.

شركة التسهيلات التجارية ش.م.ك
COMMERCIAL FACILITIES CO. s.a.k

Interim Condensed Consolidated Statement of Cash Flows for the for the six-month period ended 30 June 2026 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	Six-month period ended 30 June	
		2026	**2025**
Operating activities			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration		3,022	8,877
Adjustments for:			
Interest income		(282)	(288)
Provision for expected credit losses		1,527	(423)
Unrealized loss/ (gain) on financial assets at FVTPL	10	1,501	(3,199)
Realized gain on sale of financial assets at FVTPL	10	(155)	(245)
Dividend income	10	(1,823)	(1,648)
Share of results of associates		(454)	(839)
Depreciation		122	48
Finance cost		2,991	2,559
Provision for staff indemnity		460	296
Gain on disposal of a subsidiary	16	260	-
		7,169	5,138
Other receivables and prepayments		(657)	142
Finance receivables		10,381	3,190
Trade creditors and accrued liabilities		(837)	(998)
Cash from operations		16,056	7,472
Interest received		282	288
Dividends received		2,188	1,562
Staff indemnity paid		(5)	(16)
Net cash from operating activities		18,521	9,306
Investing activities			
Term deposits		(3,021)	2,537
Purchase of financial assets at FVTPL		(1,657)	(2,213)
Proceeds from sale of financial assets at FVTPL		1,338	645
Purchase of financial assets at FVTOCI		(1,380)	(2,001)
Proceeds from sale of financial assets at FVTOCI		1,839	820
Dividend received from associates		250	100
Purchase of property and equipment		(250)	-
Purchase of investment property		(2,136)	-
Disposal of a subsidiary	16	(307)	-
Net cash used in investing activities		(5,324)	(112)
Financing activities			
Proceeds from term loans		61,000	28,000
Repayment of term loans		(67,850)	(28,611)
Dividends paid		(10,674)	(10,108)
Finance cost – paid		(3,001)	(2,521)
Net cash used in financing activities		(20,525)	(13,240)
Net decrease in cash and cash equivalents		(7,328)	(4,046)
Net increase in cash held by third parties		(170)	(95)
Net decrease /(increase) in restricted bank balance		73	(525)
Cash and cash equivalents at beginning of the period		17,434	17,262
Cash and cash equivalents at end of the period	3	10,009	12,596

The accompanying notes form an integral part of this interim condensed consolidated financial information.

1. Incorporation and principal activities

Commercial Facilities Company S.A.K.P. ("the Parent Company") was incorporated on 16 January 1977 in accordance with the Commercial Companies Law in the State of Kuwait. The Parent Company's shares were listed on the Kuwait Stock Exchange on 29 September 1984.

The main activities of the Group represent in financing activities, investments and brokerage.

The address of the Parent Company's registered office is P.O. Box 24284, Safat 13103, State of Kuwait.

The subsidiaries of the Group as at 30 June and 31 December are as follows:

Name of subsidiary	% of ownership and voting power			Country of incorporation	Principal activity
	Jun-2026	Dec-2025	Jun-2025		
First Real Estate Facilities Company W.L.L.	99%	99%	99%	Kuwait	Real Estate
Tas-hilat Rating and Collection Company K.S.C.C.	97%	97%	97%	Kuwait	Collection
Motor Al Tas-hilat for Sale and Purchase of Vehicles Company W.L.L.	98%	98%	98%	Kuwait	Buying & selling of cars
Farwa Real-Estate Company W.L.L.	-	98%	98%	Kuwait	Real Estate
Real Estate Facilities Investment Company K.S.C.C.	-	48%	-	Kuwait	Real Estate

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 09 August 2026.

2. Basis of preparation and significant accounting policies

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting' except as noted below. The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025.

The annual consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (CBK) in the State of Kuwait. These regulations require financial institutions regulated by CBK to adopt the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) with an amendment for measuring the expected credit loss ("ECL") on credit facilities at the higher of ECL computed under IFRS 9 – 'Financial Instruments' in accordance to the CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

The above framework is hereinafter referred to as 'IFRS Accounting Standards as adopted by CBK for use by the State of Kuwait'.

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with IFRS Accounting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 30 June 2026 are not necessarily indicative of results that may be expected for the year ending 31 December 2026.

Amendments to IFRS Accounting Standards which are effective for annual periods beginning on or after1 January 2026 did not have any material impact on the accounting policies, financial position or performance of the Group.

3. Cash and bank balances

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Cash on hand	13	23	25
Bank balances	6,378	5,647	6,247
Deposits	7,998	13,997	11,496
	14,389	19,667	17,768
Less: Deposits with original maturity over three months	(2,499)	-	(4,499)
Less: Restricted bank balance – net of ECL	(48)	(121)	(525)
Less: Due to banks	(1,663)	(2,112)	(1)
Less: Cash balance with third parties	(170)	-	(147)
Cash and cash equivalents for the purpose of consolidated statement of cash flows	10,009	17,434	12,596

The Group's bank balances and term deposits denominated in USD and Lebanese Pound amounting to KD 798 thousand (KD 2,013 thousand – 31 December 2025 and KD 8,748 thousand – 30 June 2025) are with banks in Lebanon. The Expected credit losses related to bank balances and term deposits is KD 750 thousand (KD 1,892 thousand - 31 December 2025 and KD 8,223 thousand - 30 June 2025). Bank balances amounting to KD 798 thousand are with Lebanon banks and not available for general use.

4. Finance receivables

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Commercial loans	39,455	42,008	41,097
Personal loans	176,803	186,256	183,095
	216,258	228,264	224,192
Less: deferred income	(20,291)	(22,413)	(21,789)
	195,967	205,851	202,403
Less: provision for expected credit losses	(28,994)	(27,524)	(29,422)
	166,973	178,327	172,981

As at 30 June 2026, provisions for credit losses in accordance with the requirements of the Central Bank of Kuwait amounted to KD 23,424 thousand (KD 23,362 thousand - 31 December 2025 and KD 24,247 thousand - 30 June 2025), less than the expected credit losses for credit facilities which were calculated in accordance with the requirements of IFRS 9 in accordance with the Central Bank of Kuwait guidelines.

The average interest rate earned from instalment credit for the Six-month period ended 30 June 2026 was 5.32% (5.41% - 31 December 2025 and 5.34% - 30 June 2025) per annum.

5. Investment in securities

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Financial assets at FVTPL	30,270	32,528	32,538
Financial assets at FVTOCI	39,088	56,832	37,916
Financial asset at amortized cost	677	-	-
	70,035	89,360	70,454

The Group's financial asset at amortised cost balance represents net of ECL amounting to KD 554 thousand (31 December 2025: Nil and 30 June 2025 Nil).

6. Investments in associates

	Place of incorporation and operation	Proportion of ownership interest	Principal activity
Real Estate Facilities and Investment Company K.S.C.C.	Kuwait	42.84%	Investment in real estate
Priority Automobile Company K.S.C.C.	Kuwait	44.56%	Renting and leasing of luxury cars

Group's share from associates' results amount to KD 454 thousand for the period ended 30 June 2026 (KD 839 thousand – 30 June 2025). This financial information has been prepared based on the financial information prepared by the associates' managements. During the year, group decreased the share ownership and lost the voting power of Real Estate Facilities Investment Company K.S.C.C. identifying the remaining interest as investment in associate (Note 15 & 16).

7. Term loans

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Loans denominated in KD	108,452	140,334	112,772

During the period, the Group signed new financing KD loan agreements amounting to KD 40 million (KD 61.5 million - 31 December 2025 and KD 38 million - 30 June 2025).

The weighted average interest rate on KD loans outstanding at 30 June 2026 was 4.40% per annum (4.81% per annum - 31 December 2025 and 4.92% per annum - 30 June 2025). The Group's outstanding term loans at 30 June 2026 are borrowed under floating rate agreements. The interest rates were determined at normal commercial rates available from the debt market on an arm's length basis. The Group has assigned customer contracts amounting to KD 93,933 thousand (KD 107,564 thousand - 31 December 2025 and KD 102,334 thousand - 30 June 2025) as security over 11 term loans (10 term loans - 31 December 2025 and 9 term loans - 30 June 2025) with balances outstanding of KD 108,452 thousand (KD 140,334 thousand - 31 December 2025 and KD 112,772 thousand - 30 June 2025).

8. Related party transactions

Related parties comprise associated companies, major shareholders, directors and key management personnel of the Group, their families, and companies of which they are the principal owners. The Group enters into transactions with related parties. Pricing policies and terms are approved by the Group's management.

The related party transactions and balances included in this interim condensed consolidated financial information are as follows:

a) Compensation of key management personnel of the Parent Company:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	2025	2026	2025
Salaries and other short-term benefits	179	144	356	275
Post-employment benefits	34	199	222	218
	213	343	578	493
b) Finance receivables:				
Opening balance	33	30	35	7
Loans advanced during the period	-	13	-	39
Instalment repayment received	(3)	(2)	(5)	(5)
Closing balance	30	41	30	41

9. Treasury shares

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Number of shares purchased (000's)	-	-	-
Cost of shares purchased (KD'000)	-	-	-
Market value of total treasury shares (KD'000)	8,179	8,118	7,209
Percentage of issued shares	5.64%	5.64%	5.64%
Total number of shares (000's)	30,292	30,292	30,292

The Parent Company is required to retain reserves and retained earnings equivalent to the cost of treasury shares throughout the period, in which they are held by the Parent Company, in accordance with the instructions of the relevant regulatory authorities.

10. Net gains from investments

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	**2025**	**2026**	**2025**
Unrealised (loss)/ gain on financial assets at FVTPL	(1,620)	1,078	(1,501)	3,199
Realised gain on sale of financial assets at FVTPL	155	-	155	245
Dividend income	657	1,100	1,823	1,648
	(808)	2,178	477	5,092

11. Earnings per share

Earnings per share is computed by dividing profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026	**2025**	**2026**	**2025**
Profit for the period from continuing operations	940	5,376	1,984	8,427
Profit for the period from discontinued operations	221	-	432	-
Profit for the period attributable to the Shareholders of the Parent Company	1,161	5,376	2,416	8,427
	Shares			
Weighted average number of the Parent Company's issued and paid-up shares (000's)	536,764	536,764	536,764	536,764
Weighted average number of the Parent Company's treasury shares (000's)	(30,292)	(30,292)	(30,292)	(30,292)
Weighted average number of the Parent Company's outstanding shares (000's)	506,472	506,472	506,472	506,472
Earnings per share – Fils				
From continuing operations	2	11	4	17
From continuing and discontinued operations	2	11	5	17

12. Revenue and segmental analysis

The Group operates in one principal area of activity, the granting of consumer instalment credit facilities. Its consumer credit operations are carried out entirely in the domestic market in Kuwait. The Group has investments both inside and outside Kuwait.

A segmental analysis of profit from ordinary activities, total assets, total liabilities and net assets employed by geographical location is as follows:

	Consumer	Investment	Total
At 30 June 2026			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	2,398	(283)	2,115
Total assets	166,973	110,561	277,534
Total liabilities	(108,452)	(11,165)	(119,617)
Net assets employed	58,521	99,396	157,917
At 30 June 2025			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	7,234	1,643	8,877
Total assets	172,981	110,897	283,878
Total liabilities	(112,772)	(9,164)	(121,936)
Net assets employed	60,209	101,733	161,942

13. Annual general assembly

The shareholder's annual general assembly meeting held on 20 April 2026 approved the audited consolidated financial statements of the Group for the year ended 31 December 2025 and approved to distribute a cash dividend of 21 fils per share (20 fils per share – 2024) amounting to KD 10,636 thousand (KD 10,129 thousand – 2024) and the distribution of 3 shares from the shares of the Real Estate Investment Facilities Company K.S.C.C. for every 100 shares of the Commercial Facilities Company shares amounting to KD 2,018 thousand (Note 15).

14. Fair value of financial instruments

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 Group's financial assets are measured at fair value at the end of each reporting period. The following tables give information about how the fair values of these financial assets are determined.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

Financial assets	Fair value as at			Fair value Hierarchy	Sector
	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 June 2025 (Unaudited)**		
Financial assets at FVTPL - *Quoted securities*	20,380	22,027	22,951	Level 1	Financial Institutions
Financial assets at FVTPL - *Quoted debt securities*	4,001	3,847	-	Level 1	Financial Institutions
	24,381	25,874	22,951		
Financial assets at FVTPL - *Debt securities*	5,889	6,654	4,737	Level 2	Financial Institutions
Financial assets at FVTPL - *Unquoted fund*	-	-	4,850	Level 2	Conglomerate
Financial assets at FVOCI - *Unquoted debt*	9,986	12,219	9,030	Level 2	Financial Institutions
	-	-	1,250	Level 2	Conglomerate
	952	952	-	Level 2	Services
Financial assets at FVOCI - *Unquoted funds*	1	1	1	Level 2	Financial Institutions
	16,828	19,826	19,868		
Financial assets at FVOCI - *Unquoted securities*	19,387	35,074	21,212	Level 3	Real Estate
	-	-	1,990	Level 3	Financial Institutions
	5,240	4,932	545	Level 3	Services
Financial assets at FVOCI - *Unquoted fund*	3,060	3,196	3,430	Level 3	Services
Financial assets at FVOCI - *Unquoted debt*	462	458	458	Level 3	Financial Institutions
	28,149	43,660	27,635		
	69,358	89,360	70,454		

Movement in level 3 is as follows:

	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 June 2025 (Unaudited)**
Opening balance	43,660	26,768	26,768
On (disposal)/ acquisition of a subsidiary	(18,683)	16,888	-
Change in fair value	4,202	(2,014)	(319)
Purchases/ transfers	1,380	3,644	2,000
Sales	(2,410)	(1,626)	(814)
Closing balance	28,149	43,660	27,635

The fair values of equity investments are obtained from quoted market prices and other models.

Valuation techniques include observable market information of comparable companies and net asset values. Significant unobservable inputs used in valuation techniques mainly include market multiples such as price to book and price to earnings. The most significant unobservable inputs used is the illiquidity discount in the level 3 hierarchy. A sensitivity analysis on fair value estimations, by varying input assumptions by a reasonable margin, did not indicate any material impact on the interim condensed consolidated statement of financial position or consolidated statement of profit or loss.

15. Discontinued operations

Real Estate Facilities Investment Company K.S.C.C.

In June 2026, group decreased the share ownership of Real Estate Facilities Investment Company K.S.C.C. from 48.48% to 42.84% (Note 13). Annual General Meeting of Real Estate Facilities Investment Company K.S.C.C. held on 29 June 2026 elected new board of directors and Parent Company lost the majority voting power of Board of Directors. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal are disclosed in Note 16.

The results of the discontinued operations, which have been included in the profit for the period/ year were as follows.

	Period ended 30 Jun 2026 (Unaudited)	Year ended 31 Dec 2025 (Audited)
Revenue	1,648	406
Expenses	(741)	(362)
Profit before tax	907	44
KFAS	(8)	(0.3)
Zakat	(9)	(0.4)
Profit from discontinued operations	890	43

Cash flows from discontinued operations

	Period ended 30 Jun 2026 (Unaudited)	Year ended 31 Dec 2025 (Audited)
Net cash from operating activities	858	1,444
Net cash inflow/ (outflow) from investing activities	(2,412)	(3,692)
Net cash inflow from financing activities	751	3,123
	(803)	875

Farwah Real Estate Company W.L.L.

In May 2026, management of Commercial Facilities Company S.A.K.P. approved to liquidation of Farwah Real Estate Facilities Company W.L.L. due to no operational activities over last two years. This was published on Kuwait Alyoum on 14 June 2026. There are no revenues and expenses during the period and liquidation costs are incurred by the Parent company.

16. Disposal of subsidiaries

Disposal of Real Estate Facilities Investment Company K.S.C.C.

As referred to in note 15, group disposed of its interest in Real Estate Facilities Investment Company K.S.C.C.

The net assets at the date of disposal were as follows:

Cash and cash equivalents	307
Deposits and other receivables	497
Investment securities	17,424
Investment properties	40,494
Trade and other payables	(533)
Loans payable	(25,033)
Provision for staff indemnity	(140)
Non-controlling interest	(17,010)
Net assets disposed	16,006

Consideration in terms of share distribution	2,018
Fair value of residual interest recognized as investment in associate	14,248
	16,266
Less: Net assets disposed	(16,006)
Gain on disposal	260
Net cash inflow arising on disposal	
Consideration received in cash and cash equivalents	-
Less: cash & cash equivalent disposed of	(307)
Net cash from disposal of the subsidiary for cash flow purposes	(307)

Liquidation of Farwah Real Estate Company W.L.L.

As referred to in note 15, group disposed of its interest in Farwah Real Estate Company W.L.L.

The net assets at the date of disposal were as follows:

Total assets	3,829
Total liabilities	(2,228)
Non-controlling interest	(32)
Net assets disposed	1,569

17. Impacts of geopolitical conflict in Middle East and related uncertainties

Geopolitical events in the Middle East since the end of February 2026 have affected Kuwait and other GCC countries, where the Group operates, resulting in increased macro-economic uncertainties and unfavorable business conditions.

Expected Credit Loss (ECL) estimates

The Group considered the potential impact of the uncertainties caused by the ongoing geopolitical event together with the relief measures of governments and central banks in its estimation of ECL requirements for the period ended 30 June 2026, making adjustments to the macro-economic variables as appropriate. The Group has also given specific consideration on the relevant quantitative and qualitative factors when determining any significant increase in credit risk (SICR) and in assessing indicators of impairment for exposures to potentially affected sectors.

Fair value measurement of financial and non-financial assets

The Group considered the potential impact of the current economic volatility on the reported amounts of the Group's fair value of the financial and non-financial assets. The reported amounts best represent management's assessment of the fair values based on observable information. Markets, however, remain volatile and asset carrying values remain sensitive to market fluctuations. The impact of the highly uncertain geopolitical and economic environment remains judgmental, and the Group will accordingly continue to reassess its position and the related impact on a regular basis.

Management continues to monitor the situation and assess potential impacts on the Group. As of the date of authorization of this interim condensed consolidated financial information, the financial effects cannot be reliably estimated due to the evolving nature of the events.