ACICO Industries Company - K.S.C. (Public)
and its Subsidiaries
State of Kuwait

Interim condensed consolidated financial information (Unaudited)
And review report for the six month period ended 30 June 2026

ACICO Industries Company - K.S.C. (Public)
and its Subsidiaries
State of Kuwait

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For the six month period ended 30 June 2026

Contents

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Report on review of the interim condensed consolidated financial information

The Board of Directors
ACICO Industries Company - K.S.C. (Public)
State of Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of ACICO Industries Company - K.S.C. (Public) (the Parent Company) and its subsidiaries (collectively, "the Group") as at 30 June 2026, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim 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.

Basis for Qualified Conclusion
We were unable to obtain direct bank confirmations for certain bank balances amounting to KD 145,148 and borrowings amounting to KD 61,406,165 as of 30 June 2026 (31 December 2025: KD 149,376 and KD 61,406,165 respectively, 30 June 2025: KD 148,950 and KD 64,347,690 respectively). Accordingly, we were unable to determine whether any adjustments might be necessary to the accompanying interim condensed consolidated financial information in relation to these bank balances and borrowings.

Qualified Conclusion
Based on our review, except for the possible effect of the matter described in the "Basis of Qualified Conclusion" above, 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.

Material Uncertainty Related To Going Concern
We draw attention to Note (2) to the accompanying interim condensed consolidated financial information regarding the Group's ability to continue as a going concern. Our conclusion is not further modified in respect of this matter.

Report on review of the interim condensed consolidated financial information (Continued)

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, except for the possible effects of the matter described in the "Basis for Qualified Conclusion" paragraph above, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, and its Executive Regulations, as amended or by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the six 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 and to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law 7 of 2010, concerning the Capital Markets Authority and Organization of Security Activity, its amendments and Executive Regulations 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.

Faisal Saqer Al Saqer
License No. 172
BDO Al Nisf & Partners

State of Kuwait: 10 August 2026

ACICO Industries Company - K.S.C. (Public) and its Subsidiaries
State of Kuwait

Interim condensed consolidated statement of financial position (Unaudited)
As at 30 June 2026

	Note	30 June 2026	(Audited) 31 December 2025	30 June 2025
		KD	KD	KD
Assets				
Cash and term deposit	3	**17,934,763**	19,268,549	15,980,791
Accounts receivable and other debit balances		**13,842,038**	19,344,416	21,266,758
Contract assets		**670,438**	1,046,090	579,258
Due from related parties	4	**1,049,966**	1,316,400	1,138,031
Inventories		**16,025,168**	16,776,041	17,724,888
Properties under development		**3,467,931**	3,704,691	4,060,987
Properties held for trading		**282,295**	466,933	554,574
Financial assets at fair value through other comprehensive income		**774,495**	774,495	827,606
Investment properties		**555,154**	550,665	550,496
Right-of-use assets		**2,327,683**	2,707,650	1,935,208
Property, plant and equipment	5	**112,702,624**	124,225,352	126,026,524
Goodwill		**21,749,327**	21,749,327	22,275,968
		191,381,882	211,930,609	212,921,089
Investment properties classified as non-current assets held for sale	6	**22,345,330**	26,263,000	31,169,468
Total assets		**213,727,212**	238,193,609	244,090,557
Liabilities and equity				
Liabilities:				
Due to banks		**15,751,777**	15,824,490	16,046,882
Accounts payable and other credit balances		**33,669,841**	32,105,949	30,177,536
Dividends payable to shareholders		**1,905,017**	1,905,017	1,905,017
Contract liabilities		**3,925,569**	2,906,105	2,558,145
Due to related parties	4	**227,906**	4,928	36,258
Lease liabilities		**2,182,488**	2,595,002	1,930,795
Term loans	7	**94,159,894**	126,895,720	130,187,246
Murabaha payable	8	**20,853,186**	20,853,186	20,853,186
Provision for end of service indemnity		**5,756,358**	5,392,665	5,296,910
Total liabilities		**178,432,036**	208,483,062	208,991,975
Equity:				
Capital		**33,340,009**	33,340,009	33,340,009
Statutory reserve		**489,681**	489,681	489,681
Treasury shares	9	**(489,681)**	(489,681)	(489,681)
Treasury shares reserve		**2,481,018**	2,481,018	2,481,018
Effect of change in other comprehensive loss of associates		**(201,575)**	(201,575)	(201,575)
Fair value reserve		**(4,663)**	(4,663)	48,448
Other reserve		**1,650,648**	1,650,648	1,650,648
Foreign currency translation adjustments		**8,326,700**	8,141,851	7,984,024
Accumulated losses		**(14,757,700)**	(21,037,701)	(15,952,768)
Equity attributable to shareholders of the Parent Company		**30,834,437**	24,369,587	29,349,804
Non-controlling interests		**4,460,739**	5,340,960	5,748,778
Total equity		**35,295,176**	29,710,547	35,098,582
Total liabilities and equity		**213,727,212**	238,193,609	244,090,557

The accompanying notes on pages 9 to 21 form an integral part of this interim condensed consolidated financial information.

Emad Abdullah Al-Essa
Chairman

ACICO Industries Company - K.S.C. (Public) and its Subsidiaries
State of Kuwait

Interim condensed consolidated statement of profit or loss (Unaudited)
For the six month period ended 30 June 2026

	Note	Three months ended 30 June		Six months ended 30 June	
		2026	2025	2026	2025
		KD	KD	KD	KD
Operating revenue		**18,655,018**	17,651,453	**40,650,344**	35,576,685
Operating costs		**(16,932,056)**	(14,714,162)	**(36,271,768)**	(29,022,857)
Net real estate revenue / (loss)		**289,799**	(902,631)	**1,199,072**	1,145,407
Gross profit		**2,012,761**	2,034,660	**5,577,648**	7,699,235
General and administrative expenses		**(1,583,981)**	(1,926,651)	**(3,178,020)**	(3,763,709)
Selling expenses		**(216,525)**	(399,664)	**(475,711)**	(692,826)
Depreciation and amortization		**(13,179)**	(31,211)	**(64,064)**	(61,552)
Change in fair value of investment properties classified as non-current assets held for sale	6	**(4,115,272)**	-	**(4,115,272)**	-
Net provisions (charged) / no longer required	10	**(2,995,971)**	164,065	**(3,014,408)**	314,065
(Loss) / profit from operations		**(6,912,167)**	(158,801)	**(5,269,827)**	3,495,213
Group's share of results from associates		-	(279,898)	-	(383,291)
Loss from sale of investment properties		-	(6,925,078)	-	(6,925,078)
Loss from sale of investment properties classified as non-current assets held for sale		-	(206,188)	-	(1,565,251)
Gain from extinguishment of term loans	7	**27,800,022**	9,694,916	**27,800,022**	9,694,916
Provision for legal claim (charged) / no longer required	13	-	(36,239)	-	7,185,749
Debit balances impaired		**(1,396,998)**	-	**(1,396,998)**	-
Impairment loss on property, plant and equipment	5	**(11,712,372)**	-	**(11,712,372)**	-
Finance expenses		**(2,272,332)**	(419,789)	**(3,915,845)**	(3,734,371)
Other (loss) / income		**(114,965)**	562,985	**85,878**	860,395
Profit for the period before contribution to NLST and Zakat		**5,391,188**	2,231,908	**5,590,858**	8,628,282
NLST		**(187,177)**	(42,070)	**(205,135)**	(198,360)
Zakat		**(74,871)**	(16,828)	**(82,054)**	(79,344)
Profit for the period		**5,129,140**	2,173,010	**5,303,669**	8,350,578
Attributable to:					
Shareholders of the Parent Company		**6,277,527**	1,723,271	**6,280,001**	7,953,905
Non-controlling interests		**(1,148,387)**	449,739	**(976,332)**	396,673
Profit for the period		**5,129,140**	2,173,010	**5,303,669**	8,350,578
Basic and diluted earnings per share attributable to shareholders of the Parent Company (Fils)	11	**18.996**	5.215	**19.004**	24.069

The accompanying notes on pages 9 to 21 form an integral part of this interim condensed consolidated financial information.

ACICO Industries Company - K.S.C. (Public) and its Subsidiaries
State of Kuwait

Interim condensed consolidated statement of profit or loss and other comprehensive income (Unaudited)
For the six month period ended 30 June 2026

	Three months ended 30 June		Six months ended 30 June	
	2026	**2025**	**2026**	**2025**
	KD	KD	KD	KD
Profit for the period	**5,129,140**	2,173,010	**5,303,669**	8,350,578
Other comprehensive (loss) / income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	**(125,647)**	(1,202,061)	**280,960**	(1,094,221)
Other comprehensive income of associates	**-**	-	**-**	24,070
Other comprehensive (loss) / income for the period	**(125,647)**	(1,202,061)	**280,960**	(1,070,151)
Total comprehensive income for the period	**5,003,493**	970,949	**5,584,629**	7,280,427
Attributable to:				
Shareholders of the Parent Company	**6,143,727**	527,045	**6,464,850**	6,889,063
Non-controlling interests	**(1,140,234)**	443,904	**(880,221)**	391,364
Total comprehensive income for the period	**5,003,493**	970,949	**5,584,629**	7,280,427

The accompanying notes on pages 9 to 21 form an integral part of this interim condensed consolidated financial information.

ACICO Industries Company - K.S.C. (Public) and its Subsidiaries
State of Kuwait

Interim condensed consolidated statement of changes in equity (Unaudited)
For the six month period ended 30 June 2026

	Equity attributable to shareholders of the Parent Company												
	Capital	**Statutory reserve**	**Treasury shares**	**Treasury shares reserve**	**Effect of change in other comprehensive loss of associates**	**Revaluation surplus**	**Fair value reserve**	**Other reserve**	**Foreign currency translation adjustments**	**Accumulated losses**	**Sub-total**	**Non-controlling Interests**	**Total equity**
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
Balance as at 31 December 2025 (Audited)	33,340,009	489,681	(489,681)	2,481,018	(201,575)	-	(4,663)	1,650,648	8,141,851	(21,037,701)	24,369,587	5,340,960	29,710,547
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	-	-	184,849	6,280,001	6,464,850	(880,221)	5,584,629
Balance as at 30 June 2026	**33,340,009**	**489,681**	**(489,681)**	**2,481,018**	**(201,575)**	**-**	**(4,663)**	**1,650,648**	**8,326,700**	**(14,757,700)**	**30,834,437**	**4,460,739**	**35,295,176**
Balance as at 31 December 2024 (Audited)	33,340,009	489,681	(489,681)	2,481,018	(225,645)	64,739	48,448	1,650,648	9,072,936	(23,971,412)	22,460,741	5,357,414	27,818,155
Total comprehensive income / (loss) for the period	-	-	-	-	24,070	-	-	-	(1,088,912)	7,953,905	6,889,063	391,364	7,280,427
Transfer of revaluation surplus to accumulated losses	-	-	-	-	-	(64,739)	-	-	-	64,739	-	-	-
Balance as at 30 June 2025	33,340,009	489,681	(489,681)	2,481,018	(201,575)	-	48,448	1,650,648	7,984,024	(15,952,768)	29,349,804	5,748,778	35,098,582

The accompanying notes on pages 9 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows (Unaudited)
For the six month period ended 30 June 2026

	Six months ended 30 June	
	2026	**2025**
	KD	KD
Cash flows from operating activities:		
Profit for the period before contribution to NLST and Zakat	**5,590,858**	8,628,282
Adjustments for:		
Depreciation and amortization	**2,420,451**	2,243,310
Change in fair value of investment properties classified as non-current assets held for sale	**4,115,272**	-
Net provisions charged / (no longer required)	**3,014,408**	(314,065)
Group's share of results from associates	**-**	383,291
Loss from sale of investment properties	**-**	6,925,078
Loss from sale of investment properties classified as non-current assets held for sale	**-**	1,565,251
Gain from extinguishment of term loans	**(27,800,022)**	(9,694,916)
Provision for legal claim no longer required	**-**	(7,185,749)
Debit balances impaired	**1,396,998**	-
Impairment loss on property, plant and equipment	**11,712,372**	-
Finance expenses	**3,915,845**	3,734,371
Interest income	**(215,769)**	(131,972)
Loss from sale of property, plant and equipment	**322,385**	2,757
Loss from early termination of right-of-use asset	**8,698**	-
Provision for end of service indemnity	**538,938**	405,695
	5,020,434	6,561,333
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	**3,765,361**	(693,664)
Contract assets	**375,652**	(350,542)
Due from related parties	**259,202**	331,041
Inventories	**(2,267,414)**	1,047,890
Net movement in properties under development	**(160)**	(1,384)
Net movement in properties held for trading	**(5,951)**	-
Accounts payable and other credit balances	**632,383**	(1,865,321)
Contract liabilities	**1,019,464**	273,815
Due to related parties	**222,978**	(138,703)
Cash flows generated from operations	**9,021,949**	5,164,465
End of service indemnity paid	**(202,413)**	(302,073)
Net cash generated from operating activities	**8,819,536**	4,862,392
Cash flows from investing activities:		
Term deposit	**(986,940)**	-
Paid for purchase of investment properties	**-**	(9,623)
Proceeds from sale of investment properties classified as non-current assets held for sale	**-**	365,210
Paid for purchase of property, plant and equipment	**(1,098,543)**	(173,403)
Proceeds from sale of property, plant and equipment	**-**	2,000
Interest income received	**215,769**	131,972
Net cash (used in) / generated from investing activities	**(1,869,714)**	316,156

ACICO Industries Company - K.S.C. (Public) and its Subsidiaries
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Interim condensed consolidated statement of cash flows (Unaudited)
For the six month period ended 30 June 2026

	Six months ended 30 June	
	2026	**2025**
	KD	KD
Cash flows from financing activities:		
Net movement in due to banks	**(72,713)**	1,287
Net movement in term loans	**(7,400,000)**	(2,718,989)
Lease payments	**(528,765)**	(499,447)
Finance expenses paid	**(1,533,508)**	(1,046,299)
Net cash used in financing activities	**(9,534,986)**	(4,263,448)
Net (decrease) / increase in cash and term deposit	**(2,585,164)**	915,100
Foreign currency translation adjustments	**264,438**	67,647
Cash and term deposit at the beginning of the period	**19,268,549**	14,998,044
Cash and term deposit at the end of the period (Note 3)	**16,947,823**	15,980,791
Material non-cash transactions:		
Accounts payable and other credit balances	**(2,464,196)**	-
Term loans	**2,464,196**	(60,000,000)
Accounts receivable and other debit balances	**-**	(2,943,052)
Investment properties	**-**	60,000,000
Investment properties classified as non-current assets held for sale	**-**	2,943,052

The accompanying notes on pages 9 to 21 form an integral part of this interim condensed consolidated financial information.

1. Incorporation and activities

ACICO Industries Company - K.S.C. (Public) ("the Parent Company") is a Kuwaiti public shareholding Company established under Memorandum of Incorporation No. 16540 dated 23 June 1990, with its latest amendments dated 15 July 2025 related to the Parent Company's capital, and is listed on Boursa Kuwait. The Parent Company has been registered in the Commercial Register under No. 41903 dated 17 July 1991.

The Parent Company is located in Sharq, Al - Hamra Business Tower, 34th floor and its registered office is P.O. Box 24079, Safat,13101 - State of Kuwait.

The interim condensed consolidated financial information was authorized for issue by the Parent Company Board of Directors on 10 August 2026.

2. Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the six month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending 31 December 2026. For further information, refer to the consolidated financial statements and notes thereto for the fiscal year ended 31 December 2025.

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

Fundamental accounting concept related to going concern

The interim condensed consolidated financial information have been prepared on a going concern basis, which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business. The interim condensed consolidated financial information does not include any adjustments that might arise due to uncertainty of the Group's ability to continue as a going concern.

As at 30 June 2026, the Group's current liabilities exceeded its current assets by KD 51,751,040 (31 December 2025: KD 88,669,589, 30 June 2025: 85,352,878) and as of that date, accumulated losses amounted to KD 14,757,700 (31 December 2025: KD 21,037,701, 30 June 2025: KD 15,952,768).

The Group's ability to continue as a going concern depends on its ability to make profits, enhance its future cash flows, restructure / reschedule its credit facilities, and the financial support of its major shareholders.

The Group is continuing the negotiations with its lending financial institutions to restructure / reschedule and renew its credit facilities. The Group is also taking active steps to implement an exit plan for certain investments and assets currently reported in the interim condensed consolidated financial information to overcome this situation.

2. Basis of presentation (Continued)

Fundamental accounting concept related to going concern (Continued)

During the period ended 30 June 2026, the Parent Company and one of its subsidiaries, (ACICO Construction Company - K.S.C. (Closed), entered into settlement agreements and an amendment to a settlement agreement executed during 2025 with local lending financial institutions to restructure and settle their outstanding indebtedness amounting to KD 81,871,865 (Note 7). The Group's management has reasonable expectations that its other lending institutions will restructure / reschedule and renew its credit facilities because of the Group's quality investments and assets. It also expects that its certain assets exit plan will be concluded successfully as per the current market trends.

The Group is continuing to implement its strategic plan for the years starting from 2023 to 2028. The plan that was approved by the Board of Directors of the Parent Company in its meeting held on 19 February 2023 included the following restructuring activities:

a. Negotiation with lending financial institutions to restructure the credit facilities aiming to achieve sustainable financial position.

b. Improving financial performance through focusing on industrial activities (manufacturing of construction materials) by utilizing the Group's local and GCC manufacturing plants and divesting from other non-industrial investments.

c. Improve the Group's liquidity through partial exiting of investment properties.

d. Preparation to sell part of the Group's operational assets to maximize shareholders' value and improve the Group's liquidity position.

The Extraordinary Shareholders' General Assembly meeting held on 12 July 2023, discussed the future prospects of the Parent Company through approving the business continuity and the restructuring plan detailed as follows:

(a) The Board of Directors proposed restructuring plan as disclosed in Boursa Kuwait on 19 February 2023 and on 14 May 2023 detailed as follows:
- Restructure finances due to the increase discount rates and financing costs,
- Steadily dispose of the real estate assets,
- Partially reduction of the industrial assets through the deal to sell the Group's major Blocks factory, in accordance with the disclosure made on 14 May 2023.

On 10 December 2023, the Board of Directors decided to continue operating the Blocks factory.

(b) Develop the Group's operations as follows:
- Enable expansion in local markets through profitable sectors,
- Monitoring and reducing cost of production to reduce the cost of raw materials and operating cost of the production sector.
- Implement cost cutting and revenue enhancement policy.

The Extraordinary Shareholders' General Assembly authorized the Board of Directors to take all necessary actions to implement the restructuring plan and the business continuity plan. The Group is in the process of obtaining the necessary regulatory approvals to implement the plans.

2. Basis of presentation (Continued)

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's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective from 1 January 2026. The Group has not early adopted any other 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"). These amendments include the following:

- Explanations regarding the recognition and derecognition requirements for financial assets and financial liabilities. In particular, clarify that a financial liability is derecognized on the "settlement date," with the provision of one of the accounting policy choices (if specific conditions are met) to derecognize financial liabilities that have been settled using an electronic payment system prior to the settlement date.
- Additional guidance on assessing the contractual cash flows of financial assets linked to ESG practices and similar features.
- Explanations regarding what constitutes "non-recourse features" and features of contractually linked instruments.
- Disclosure requirements for financial instruments with contingent features and additional disclosures for equity instruments classified at fair value through other comprehensive income.

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

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: The disclosures and accompanying guidance regarding the application of "IFRS 7", "IFRS 9": Financial Instruments, and "IFRS 10": Consolidated Financial Statements, and "IAS 7": Statements of Cash Flows.

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

Contracts Referencing Nature - dependent electricity – Amendments to IFRS 9 and IFRS 7

On December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature - dependent electricity. The amendments apply only to contracts referencing nature - dependent electricity, which are as follows:

- Clarify the application of the 'own-use' requirements for in-scope contracts.
- Amendment to the requirements for identifying the hedged item in a cash flow hedging relationship of in-scope contracts.
- Addition of new disclosure requirements to enable investors to understand the impact of these contracts on the Group's consolidated financial performance and consolidated cash flows.

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

3. Cash and term deposits

	30 June 2026	(Audited) 31 December 2025	30 June 2025
	KD	KD	KD
Cash on hand and at banks	**13,005,676**	10,791,993	9,681,313
Short-term deposits (a)	**3,942,147**	8,476,556	6,299,478
Cash and term deposit as presented in the interim condensed consolidated statement of cash flows	**16,947,823**	19,268,549	15,980,791
Term deposits - more than 3 months (b)	**986,940**	-	-
Cash and term deposit as presented in the interim condensed consolidated statement of financial position	**17,934,763**	19,268,549	15,980,791

a) The effective interest rate on short-term deposits ranges from 3.3% to 4.4% (31 December 2025: 3.3% to 4.4%, 30 June 2025: 3.66% to 4.3%) per annum and those deposits mature within a period of three months.

b) The effective interest rate on term deposit is 4.3% per annum and this deposit matures over a period of more than three months.

4. Related party disclosures

The Group has entered various transactions with related parties, i.e. Major shareholders, Board of Directors, Key management personnel, associates and other related parties. Prices and terms of payment are approved by the Group's Management. Significant related parties' balances and transactions are as follows:

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

	Major shareholders	Associates	Other related parties	30 June 2026	(Audited) 31 December 2025	30 June 2025
	KD	KD	KD	KD	KD	KD
Due from related parties	**795,001**	**948,248**	**4,910,930**	**6,654,179**	6,916,073	6,737,389
Provision for expected credit losses	**(714,176)**	**(400,000)**	**(4,490,037)**	**(5,604,213)**	(5,599,673)	(5,599,358)
Net due from related parties	**80,825**	**548,248**	**420,893**	**1,049,966**	1,316,400	1,138,031
Due to related parties	**-**	**-**	**227,906**	**227,906**	4,928	36,258

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

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	2026	2025
Key management benefits:	KD	KD	KD	KD
Salaries and other short-term benefits	**120,290**	119,918	**239,840**	242,901
End of service indemnity	**7,652**	4,516	**23,126**	9,518

5. Property, plant and equipment

Due to the prevailing market conditions and the current geopolitical escalation, the Group conducted an impairment test assessment for its property, plant and equipment. The assessment covered certain leasehold lands, buildings and machinery and equipment as at 30 June 2026 based on valuation conducted by accredited external valuers.

As a result of the assessment, the Group recognised an impairment loss on property, plant and equipment amounting to KD 11,712,372 in the interim condensed statement of profit or loss for the period ended 30 Juen 2026.

Certain property, plant and equipment with a carrying value amounting to KD 8,156,826 (31 December 2025: KD 8,419,330, 30 June 2025: KD 9,519,741) are pledged against term loans obtained from local and foreign banks (Note 7).

6. Investment properties classified as non-current assets held for sale

The movement during the period / year was as follows:

	30 June 2026	(Audited) 31 December 2025	30 June 2025
	KD	KD	KD
Balance at of the beginning of the period / year	**26,263,000**	36,357,052	36,357,052
Additions	-	2,092	2,092
Disposals	-	(4,969,048)	(4,907,597)
Changes in fair value	**(4,115,272)**	(4,874,071)	-
Foreign currency translation adjustments	**197,602**	(253,025)	(282,079)
Balance at the end of the period / year	**22,345,330**	26,263,000	31,169,468

Due to the prevailing market conditions and the current geopolitical escalation, the Group conducted an assessment to assess the fair value of its investment properties classified as non-current assets held for sale as at 30 June 2026.

The fair value of the investment properties classified as non-current assets held for sale as at 30 June 2026 has been arrived at based on the valuation carried out by accredited external valuers. In estimating the fair value of investment properties, the discounted cashflow and income approach has been used, considering the nature and usage of the investment properties classified as non-current assets held for sale. The fair value measurement of investment properties classified as non-current assets held for sale has been categorized as levels 3 fair value based on inputs to the valuation technique used.

Certain investment properties classified as non-current assets held for sale with a carrying value of KD 22,345,330 (31 December 2025: KD 26,263,000, 30 June 2025: KD 31,104,435) are pledged against term loans (Note 7).

7. Term loans

Term loans carry an annual interest rate ranging from 0.5% to 2.5% (31 December 2025: 1.50% to 2.50%, 30 June 2025: 1.50% to 2.50%) per annum over the Central Bank of Kuwait discount rate.

During the period ended 30 June 2026, the Parent Company and one of its subsidiaries, (ACICO Construction Company - K.S.C. (Closed)), entered into settlement agreements and an amendment to a settlement agreement executed during 2025 with local lending financial institutions to restructure and settle their outstanding indebtedness amounting to KD 81,871,865.

The settlement agreement included the transfer of one loan balance from the subsidiary to the Parent Company amounting to KD 25,114,196, as well as the granting of a commitment reward to the Parent Company, which was deducted from the total outstanding indebtedness upon execution of the agreement.

Furthermore, during the period ended 30 June 2026, the Parent Company entered into an amendment to a settlement agreement with another local lending financial institution to amend certain terms of a settlement agreement executed during 2025. The amendments included the cancellation of the issuance of preferred shares and the second tranche of the first commitment reward in exchange for an additional cash discount.

Accordingly, the Group recognized a gain on settlement of term loans amounting to KD 27,800,022 in the interim condensed consolidated statement of profit or loss. Following the settlements, the outstanding loan balance amounted to KD 46,671,843, which is repayable in installments in accordance with the terms of the agreements, with the final installment due on 30 November 2035.

Term loans are secured by pledge of the following:

	30 June 2026	(Audited) 31 December 2025	30 June 2025
	KD	KD	KD
Certain investment properties classified as non-current assets held for sale (Note 6)	**22,345,330**	26,263,000	31,104,435
Certain property, plant and equipment (Note 5)	**8,156,826**	8,419,330	9,519,741

The Group is not adhering to specific covenants of the term loan as the Group is presently in discussions with its financial lenders to restructure, reschedule, and renew its credit facilities (Note 2).

8. Murabaha payable

The annual profit rate attributable to Murabaha payable is ranging from 1.5% to 1.75% (31 December 2025: 1.50% to 1.75%, 30 June 2025: 1.50% to 1.75%) per annum over the Central Bank of Kuwait discount rate.

The Group is not adhering to specific covenants of the Murabaha payable as the Group is presently in discussions with its financial lenders to restructure, reschedule, and renew its credit facilities (Note 2).

9. Treasury shares

	30 June 2026	(Audited) 31 December 2025	30 June 2025
	KD	KD	KD
Number of treasury shares (shares)	**2,935,360**	2,935,360	2,935,360
Percentage of ownership (%)	**0.88%**	0.88%	0.88%
Market value (KD)	**1,485,292**	1,003,893	202,833
Cost (KD)	**489,681**	489,681	489,681

The Parent Company's management has allocated the statutory reserve balance equal to the cost of treasury shares as of the interim condensed consolidated financial information date. Such amount will not be available for distribution during the treasury shares holding period. Treasury shares are not pledged.

10. Net provisions charged / (no longer required)

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	2026	2025
	KD	KD	KD	KD
Provision for inventories charged / (no longer required)	**2,995,971**	68,035	**3,014,408**	(81,965)
Provision for expected credit losses no longer required for trade and other receivables	-	(232,100)	-	(232,100)
Net provisions charged / (no longer required)	**2,995,971**	(164,065)	**3,014,408**	(314,065)

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

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

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	2026	2025
Profit for the period attributable to shareholders of the Parent Company (KD)	**6,277,527**	1,723,271	**6,280,001**	7,953,905
Number of issued shares at the beginning of the period (shares)	**333,400,090**	333,400,090	**333,400,090**	333,400,090
Less: weighted average number of treasury shares	**(2,935,360)**	(2,935,360)	**(2,935,360)**	(2,935,360)
Weighted average number of shares outstanding at the end of the period	**330,464,730**	330,464,730	**330,464,730**	330,464,730
Basic and diluted earnings per share attributable to shareholders of the Parent Company (Fils)	**18.996**	5.215	**19.004**	24.069

12. Shareholder's Annual General Assembly

The Shareholders' Annual General Assembly held on 16 April 2026, approved the consolidated financial statements for the year ended 31 December 2025. Also approved not to distribute cash dividends for the year ended 31 December 2025 and not to distribute Board of Directors' remuneration for the year then ended.

The Shareholders' Annual General Assembly held on 22 May 2025, approved the consolidated financial statements for the year ended 31 December 2024. Also approved not to distribute cash dividends for the year ended 31 December 2024 and not to distribute Board of Directors' remuneration for the year then ended.

The Shareholders' Extraordinary General Assembly held on 29 May 2025, approved to increase the Parent Company's authorized capital from KD 33,340,009 divided into 333,400,090 shares with a nominal value of 100 fils per share, to KD 74,000,000 divided into 740,000,000 shares with a nominal value of 100 fils per share.

13. Contingent liabilities and legal cases

The Group had the following contingent liabilities:

	30 June 2026	(Audited) 31 December 2025	30 June 2025
	KD	KD	KD
Letters of guarantee	**3,209,061**	3,209,061	3,420,976
Letters of credit	**-**	-	584
	3,209,061	3,209,061	3,421,560

The Group's outstanding legal cases as of the date of the interim condensed consolidated statement of financial position were as follows:

i) ACICO Industries – Dubai branch ("Defendant") has been involved in a longstanding legal dispute with Kele Contracting Company L.L.C. ("Plaintiff"), originating in 2013. Kele Contracting L.L.C initially claimed AED 68,252,151 plus 9% annual interest. After multiple court proceedings, verdicts, and appeals between 2013 and 2021, the Dubai courts issued a final enforceable judgment in 2023 obligating the Defendant to pay AED 62,126,172 plus interest.

Subsequently, enforcement actions commenced in Dubai, including the auction of factory equipment and a vehicle, with partial proceeds used to repay the plaintiff.

In light of the judicial rulings issued by the Dubai Courts confirming that the Parent Company was not a party to the case under which execution is being carried out against ACICO Dubai Branch, and based on the legal opinion of the Group's external counsel, and given that the ruling cannot be enforced against the Parent Company within the jurisdiction of the ruling itself - the Emirate of Dubai - it consequently cannot be enforced in a foreign jurisdiction, namely the State of Kuwait (due to the non-application of the conditions of the execution of foreign judgments). Accordingly, management has assessed the claim as a contingent liability (possible, not probable).

Accordingly, a previously recognized legal claims provision of KD 7,185,749 was reversed during the period ended 30 June 2025, following the cessation of the purpose for which the provision had been established. The Group will continue to monitor the situation for any that may require future provisioning.

13. Contingent liabilities and legal cases (Continued)

ii) On 13 September 2020, Kuwait Cement Company (the Plaintiff) filed lawsuit No. 2284/2020 against the Minister of Commerce and Industry, the Chairman of the Public Authority for Industry, the Director General of the Public Authority for Industry, the Director General of the General Administration of Customs, and other parties including ACICO Construction Company (a subsidiary of the Group).

The plaintiff requested the court to cancel a decision related to the non-implementation of Industrial Cooperation Committee Decision No. 6 dated 10 May 2020, which imposed final anti-dumping duties on imports of cement products, including clinker, originating from the Islamic Republic of Iran. The plaintiff also requested the continuation of implementation of Customs Instructions No. 67 of 2020 relating to the imposition of anti-dumping duties.

The litigation progressed as follows:

- Court of First Instance (29 June 2021): The court dismissed the lawsuit due to the absence of the challenged decision preventing implementation of the GCC decision.
- Court of Appeal (27 December 2021): The appeal was accepted, the first-instance judgment was cancelled, and the court ordered continuation of the customs instructions imposing anti-dumping duties.
- Court of Cassation: Appeals were filed against the appellate judgment. On 16 March 2022, the Court of Cassation ordered suspension of execution of the appeal judgment pending final determination.

On 24 December 2025, the Court of Cassation issued rulings on several appeals, including acceptance of certain appeals and termination of litigation in others. The matter relating to Appeal No. 2235/2021 Administrative/2 filed by Kuwait Cement Company remains under consideration, with the next hearing scheduled for 23 September 2026.

As at the reporting date, the case remains ongoing and no provision has been recognized, as management does not expect a material financial obligation to arise from this matter.

iii) In addition to the above, there are legal cases being raised by and against the Group as at 30 June 2026. According to the available information, it was not possible to assess probable outflows which could result from those cases until a final verdict is rendered by the court. Accordingly, no provision has been made in the interim condensed consolidated financial information in relation to these legal cases.

14. Fair value measurement

The details of fair value measurement hierarchy are as follows:

Level 1: Quoted prices (unadjusted) 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.

Financial assets at fair value through other comprehensive income is classified under Level 3 fair level measurement.

At 30 June, the fair values of other financial instruments approximate their carrying amounts.

During the period ended 30 June 2026, there were no transfers between different levels of fair value measurement.

For assets and liabilities that are recognized in the financial statements 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.

15. Segmental reporting

Management monitors the operating results of its segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating consolidated statement of profit or loss as explained below:

Segment results include revenue and expenses directly attributable to a segment:

- **Industrial operations:** Consist majorly of manufacturing and production of blocks, reinforcement, lintels and various types of concrete products.

- **Real estate operations:** Consists of real estate activities majorly selling and buying of lands and real estate provided by the subsidiaries.

- **Contracting operations:** Consist of contracting activities majorly constructions of villas and other projects provided by the subsidiaries.

15. Segmental reporting (Continued)

The following are the details of the above segments, which constitute the Group's operating segments as of 30 June:

	2026				
	Industrial operations	**Real estate operations**	**Contracting operations**	**Unallocated**	**Total**
	KD	KD	KD	KD	KD
Operating revenue	**25,373,459**	**-**	**15,276,885**	**-**	**40,650,344**
Net real estate revenue	**-**	**1,199,072**	**-**	**-**	**1,199,072**
(Loss) / profit for the period	**(15,566,384)**	**(4,445,472)**	**1,431,348**	**23,884,177**	**5,303,669**
Gain from extinguishment of term loans	**-**	**-**	**-**	**27,800,022**	**27,800,022**
Finance expenses	**-**	**-**	**-**	**(3,915,845)**	**(3,915,845)**
Total assets	**166,662,327**	**44,113,694**	**2,951,191**	**-**	**213,727,212**
Total liabilities	**35,654,899**	**2,788,987**	**9,223,293**	**130,764,857**	**178,432,036**

	2025				
	Industrial operations	Real estate operations	Contracting operations	Unallocated	Total
	KD	KD	KD	KD	KD
Operating revenue	27,235,990	-	8,340,695	-	35,576,685
Net real estate revenue	-	1,145,407	-	-	1,145,407
Profit / (loss) for the period	1,757,274	(7,416,368)	863,378	13,146,294	8,350,578
Gain from extinguishment of term loans	-	-	-	9,694,916	9,694,916
Provision for legal claim no longer required	-	-	-	7,185,749	7,185,749
Finance expenses	-	-	-	(3,734,371)	(3,734,371)
Total assets	189,508,347	51,943,695	2,638,515	-	244,090,557
Total liabilities	29,193,543	5,540,976	7,170,142	167,087,314	208,991,975

16. Maturity profile of assets and liabilities

The maturity profile of assets and liabilities as at 30 June 2026 was as follows:

	1 - 3 months	3 - 12 months	1 - 5 years	Total
	KD	KD	KD	KD
Assets				
Cash and term deposit	**16,947,823**	**986,940**	**-**	**17,934,763**
Accounts receivable and other debit balances	**5,098,583**	**5,459,456**	**3,283,999**	**13,842,038**
Contract assets	**-**	**670,438**	**-**	**670,438**
Due from related parties	**-**	**1,049,966**	**-**	**1,049,966**
Inventories	**3,039,173**	**12,985,995**	**-**	**16,025,168**
Properties under development	**-**	**3,467,931**	**-**	**3,467,931**
Properties held for trading	**-**	**282,295**	**-**	**282,295**
Financial assets at FVOCI	**-**	**-**	**774,495**	**774,495**
Investment properties	**-**	**-**	**555,154**	**555,154**
Right-of-use assets	**-**	**-**	**2,327,683**	**2,327,683**
Property, plant and equipment	**-**	**-**	**112,702,624**	**112,702,624**
Goodwill	**-**	**-**	**21,749,327**	**21,749,327**
	25,085,579	**24,903,021**	**141,393,282**	**191,381,882**
Investment properties classified as non-current assets held for sale	**-**	**22,345,330**	**-**	**22,345,330**
	25,085,579	**47,248,351**	**141,393,282**	**213,727,212**

	1 - 3 months	3 - 12 months	1 - 5 years	Total
	KD	KD	KD	KD
Liabilities				
Due to banks	**-**	**15,751,777**	**-**	**15,751,777**
Accounts payable and other credit balances	**8,932,371**	**24,315,328**	**422,142**	**33,669,841**
Dividends payable to shareholders	**-**	**1,905,017**	**-**	**1,905,017**
Contract liabilities	**-**	**3,925,569**	**-**	**3,925,569**
Due to related parties	**-**	**-**	**227,906**	**227,906**
Lease liabilities	**-**	**913,671**	**1,268,817**	**2,182,488**
Term loans	**47,488,051**	**-**	**46,671,843**	**94,159,894**
Murabaha payable	**20,853,186**	**-**	**-**	**20,853,186**
Provision for end of service indemnity	**-**	**-**	**5,756,358**	**5,756,358**
	77,273,608	**46,811,362**	**54,347,066**	**178,432,036**

17. Geopolitical Escalation Risks

The Group operates in a global and regional economic environment that continues to be affected by the escalating geopolitical tensions in the Middle East. Recent developments in the region have increased uncertainty in global markets and heightened risks relating to supply chains, transportation, shipping and insurance costs, as well as the potential impact on regional and international trade flows. Management has assessed the potential impact of these developments on the Group's operations and on its financial position, taking into consideration the following:

- Macroeconomic conditions and economic growth trends.
- The availability of raw materials, fuel and spare parts required for production, the resilience of global and regional supply chains, the risk of increased shipping, insurance and energy costs, and the potential for delays in procurement arising from geopolitical developments.
- The continuity of the Group's operating and production activities, including its ability to maintain production levels and meet customer demand in the event of disruptions to supply chains or logistics services.
- Credit risk relating to customers, particularly those operating in sectors that may be indirectly affected by an economic slowdown or market disruptions.
- Market risk, including the ability to liquidate assets and investments at its fair value during periods of heightened market volatility, such as property, plant and equipment and investment properties.
- Foreign currency risk arising from fluctuations in exchange rates in markets linked to the region.

Management has assessed the extent to which the current geopolitical escalation have affected the Group's operations and evaluated their impact on the Group's overall business activities. Based on the information and circumstances available as at 30 June 2026, the Group reassessed the carrying amounts of its trade receivables, inventories, property, plant and equipment, and investment properties, taking into consideration impairment indicators, expected future cash flows, recoverable amounts, net realizable values and other relevant factors.

As a result of this assessment, the Group recognized provisions on inventories (Note 10), as well as changes in fair value of investment properties (Note 6) and impairment loss of property, plant and equipment (Note 5).

The Group's management continues to monitor the impact of these escalations on its operating and production activities and its assets. The continuation of these conditions may result in higher operating costs or delays in procurement in future periods. Management will continue to monitor the situation on an ongoing basis and take appropriate measures to mitigate any potential adverse effects, including diversifying sources of supply and strengthening its operational risk management plans.

18. Comparative figures

Certain comparative figures for the six month period ended 30 June 2025 and for the year ended 31 December 2025 have been reclassified to conform to the current period's presentation. Such reclassification process did not result in any impact on loss or equity for the earliest period.