Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim condensed consolidated financial information and review report

Kuwait Real Estate Holding Company – KPSC and Subsidiaries

Kuwait

30 June 2026 (Unaudited)

Contents

Grant Thornton
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Report on Review of Interim Condensed Consolidated Financial Information

To the board of directors of
Kuwait Real Estate Holding Company – KPSC
Kuwait

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

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Emphasis of matter
We draw attention to Note 2.2 to the interim condensed consolidated financial information which indicates that as at 30 June 2026 the current liabilities exceeded its current assets by KD632,351. As stated in Note 2.2, these events or conditions, along with other matters as set forth in Note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Report on review of other legal and regulatory requirements
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, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, 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 or financial position of the Parent Company.

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Report on Review of Interim Condensed Consolidated Financial Information of Kuwait Real Estate Holding Company– KPSC (continued)

Report on review of other legal and regulatory requirements (continued)

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. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six-month period ended 30 June 2026 that might have had a material effect on the business or financial position of the Parent Company.

Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton — Al-Qatami, Al-Aiban & Partners

Kuwait
12 August 2026

Interim condensed consolidated statement of profit or loss

	Note	Three months ended		Six months ended	
		30 June 2026 (Unaudited) KD	30 June 2025 (Unaudited) KD	**30 June 2026 (Unaudited) KD**	30 June 2025 (Unaudited) KD
Income					
Real estate rental income		**-**	69,570	**26,850**	139,120
Real estate management and maintenance income		**38,710**	34,612	**67,138**	59,266
Real estate operating revenue		**38,710**	104,182	**93,988**	198,386
Real estate operating expenses		**(37,384)**	(78,981)	**(80,183)**	(115,623)
Net real estate income		**1,326**	25,201	**13,805**	82,763
Gain on sale of investment properties	6	**-**	-	**258,000**	-
Change in fair value of investment properties	6	**144,148**	-	**144,148**	-
Other income		**828**	135	**1,042**	228
		146,302	25,336	**416,995**	82,991
Expenses and other charges					
General and administrative expenses		**(255,120)**	(250,633)	**(418,174)**	(461,815)
Provision charge for legal case	14	**-**	-	**-**	(915,325)
Finance costs		**(51,324)**	(50,486)	**(53,071)**	(100,418)
		(306,444)	(301,119)	**(471,245)**	(1,477,558)
Loss for the period before provision for taxation		**(160,142)**	(275,783)	**(54,250)**	(1,394,567)
Provision for Zakat		**(879)**	-	**(2,100)**	-
Provision for National Labour Support Tax		**3,052**	-	**-**	-
Loss for the period		**(157,969)**	(275,783)	**(56,350)**	(1,394,567)
Attributable to:					
Owners of the Parent Company		**(156,355)**	(274,534)	**(53,522)**	(1,391,968)
Non-controlling interests		**(1,614)**	(1,249)	**(2,828)**	(2,599)
Loss for the period		**(157,969)**	(275,783)	**(56,350)**	(1,394,567)
Basic and diluted loss per share attributable to owners of the Parent Company (Fils)	5	**(0.83)**	(1.46)	**(0.28)**	(7.40)

The notes set out on pages 9 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended		Six months ended	
	30 June 2026 (Unaudited) KD	30 June 2025 (Unaudited) KD	**30 June 2026 (Unaudited) KD**	30 June 2025 (Unaudited) KD
Loss for the period	**(157,969)**	(275,783)	**(56,350)**	(1,394,567)
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to consolidated statement of profit or loss				
Net change in fair value of financial assets at FVTOCI	**848,594**	(713,111)	**(61,780)**	(1,193,597)
Total other comprehensive income/(loss)	**848,594**	(713,111)	**(61,780)**	(1,193,597)
Total comprehensive income/(loss) for the period	**690,625**	(988,894)	**(118,130)**	(2,588,164)
Attributable to:				
Owners of the Parent Company	**747,559**	(988,902)	**(43,868)**	(2,590,131)
Non-controlling interests	**(56,934)**	8	**(74,262)**	1,967
Total comprehensive income/(loss) for the period	**690,625**	(988,894)	**(118,130)**	(2,588,164)

The notes set out on pages 9 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	**30 June 2026 (Unaudited) KD**	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Assets				
Non-current assets				
Investment properties	6	**521,757**	2,069,609	4,732,309
Financial assets at fair value through other comprehensive income	7	**6,977,074**	7,038,854	7,155,435
Total non-current assets		**7,498,831**	9,108,463	11,887,744
Current assets				
Accounts receivable and other assets		**238,800**	210,743	429,400
Cash and cash equivalents	8	**1,687,005**	379,233	649,602
Total current assets		**1,925,805**	589,976	1,079,002
Total assets		**9,424,636**	9,698,439	12,966,746
Equity and liabilities				
Equity				
Share capital		**19,103,898**	19,103,898	19,103,898
Statutory reserve		**1,452,034**	1,452,034	1,452,034
Treasury shares	9	**(1,452,034)**	(1,452,034)	(1,452,034)
Treasury shares reserve		**46,038**	46,038	46,038
Cumulative changes in fair value		**(4,867,974)**	(4,877,628)	(4,932,171)
Accumulated losses		**(10,612,959)**	(10,559,437)	(13,760,467)
Equity attributable to the owners of the Parent Company		**3,669,003**	3,712,871	457,298
Non-controlling interests		**1,133,477**	1,207,739	1,376,185
Total equity		**4,802,480**	4,920,610	1,833,483
Liabilities				
Non-current liabilities				
Borrowings	10	**951,750**	951,750	-
Provision for employees' end of service indemnity		**1,112,250**	1,093,497	1,076,223
Total non-current liabilities		**2,064,000**	2,045,247	1,076,223
Current liabilities				
Borrowings	10	**951,750**	1,101,750	6,777,566
Provision for legal cases	14	**974,080**	974,080	974,080
Accounts payable and other liabilities		**632,326**	656,752	2,305,394
Total current liabilities		**2,558,156**	2,732,582	10,057,040
Total liabilities		**4,622,156**	4,777,829	11,133,263
Total liabilities and equity		**9,424,636**	9,698,439	12,966,746

Muhammad Barrak Al-Mutair
Chairman

The notes set out on pages 9 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD	Statutory reserve KD	Treasury shares KD	Treasury shares reserve KD	Cumulative changes in fair value KD	Accumulated losses KD	Sub-total KD	KD	KD
Balance at 1 January 2026 (audited)	19,103,898	1,452,034	(1,452,034)	46,038	(4,877,628)	(10,559,437)	3,712,871	1,207,739	4,920,610
Loss for the period	-	-	-	-	-	(53,522)	(53,522)	(2,828)	(56,350)
Other comprehensive income/(loss) for the period	-	-	-	-	9,654	-	9,654	(71,434)	(61,780)
Total comprehensive loss for the period	-	-	-	-	9,654	(53,522)	(43,868)	(74,262)	(118,130)
Balance at 30 June 2026 (unaudited)	19,103,898	1,452,034	(1,452,034)	46,038	(4,867,974)	(10,612,959)	3,669,003	1,133,477	4,802,480

The notes set out on pages 9 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD	Statutory reserve KD	Treasury shares KD	Treasury shares reserve KD	Cumulative changes in fair value KD	Accumulated losses KD	Sub-total KD	KD	KD
Balance at 1 January 2025 (audited)	19,103,898	1,452,034	(1,452,034)	46,038	(3,735,534)	(12,366,973)	3,047,429	1,374,218	4,421,647
Loss for the period	-	-	-	-	-	(1,391,968)	(1,391,968)	(2,599)	(1,394,567)
Other comprehensive (loss)/income for the period	-	-	-	-	(1,198,163)	-	(1,198,163)	4,566	(1,193,597)
Total comprehensive (loss)/income for the period	-	-	-	-	(1,198,163)	(1,391,968)	(2,590,131)	1,967	(2,588,164)
Loss on disposal of financial assets at FVTOCI	-	-	-	-	1,526	(1,526)	-	-	-
Balance at 30 June 2025 (unaudited)	19,103,898	1,452,034	(1,452,034)	46,038	(4,932,171)	(13,760,467)	457,298	1,376,185	1,833,483

The notes set out on pages 9 to 20 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Six months ended 30 June 2026 (Unaudited) KD	Six months ended 30 June 2025 (Unaudited) KD
OPERATING ACTIVITIES			
Loss for the period		**(56,350)**	(1,394,567)
Adjustments:			
Change in fair value of investment properties		**(144,148)**	-
Gain on sale of investment properties		**(258,000)**	-
Provision charge for legal cases		**-**	915,325
Finance costs		**53,071**	100,418
Provision charge for employees' end of service indemnity		**18,753**	107,584
		(386,674)	(271,240)
Changes in operating assets and liabilities:			
Accounts receivable and other assets		**(28,057)**	(151,041)
Accounts payable and other liabilities		**(75,750)**	56,477
Employees' end of service indemnity paid		**-**	(51,863)
Net cash used in operating activities		**(490,481)**	(417,667)
INVESTING ACTIVITIES			
Proceeds from sale of financial assets at FVTOCI		**-**	3,749
Proceeds from sale of investment properties		**1,950,000**	-
Movement in Wakala investment deposit with original maturity exceeding three months		**(200,000)**	-
Net cash from investing activities		**1,750,000**	3,749
FINANCING ACTIVITIES			
Net decrease in borrowings		**(150,000)**	-
Finance costs paid		**(1,747)**	(100,418)
Net cash used in financing activities		**(151,747)**	(100,418)
Net increase/(decrease) in cash and cash equivalents		**1,107,772**	(514,336)
Cash and cash equivalents at the beginning of the period	8	**379,233**	1,163,938
Cash and cash equivalents at the end of the period	8	**1,487,005**	649,602

The notes set out on pages 9 to 20 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the Parent Company

Kuwait Real Estate Holding Company – KPSC (the "Parent Company") was incorporated on 19 January 1980 as a Kuwaiti Shareholding Company in accordance with the provisions of the Commercial Companies Law in the State of Kuwait. The Parent Company's shares are listed on Boursa Kuwait.

The Group comprises the Parent Company and its subsidiaries (together referred as "the Group").

The main activities of the Parent Company are as follows:

- Acquisition of shares of Kuwait and foreign shareholding and limited liability companies as well as participating in those companies incorporation, administration, lending and providing third party guarantees for those companies.
- Grant loans to companies in which it holds shares, guarantee them before third parties and in this case the contribution ratio of the Parent Company in the capital of these investee companies shall not be less than 20% minimum.
- Acquisition of industrial rights and related intellectual properties or any other industrial trademarks or drawings and any other rights thereto, and renting thereof to other companies weather inside or outside Kuwait.
- Acquire movables and real estate properties necessary to conduct its activity within the limits permitted by the law and in compliance with its objectives.
- Utilize the surplus funds available with the Company by investing same in financial portfolios managed by specialized companies and entities inside and outside Kuwait.

The objectives for which the Parent Company was established shall be pursued in accordance with Islamic Sharia. These objectives shall not be interpreted as permitting the Parent Company, directly or indirectly, to engage in usurious activities or act in contravention of Islamic Sharia principles

The address of the Parent Company's registered office is P.O.Box 26371, Safat 13124, State of Kuwait.

This interim condensed consolidated financial information for the six-month period ended 30 June 2026 was authorised for issue by the Parent Company's board of directors on 12 August 2026.

2 Basis of preparation, presentation and fundamental accounting concept

2.1 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the six-month period ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The annual consolidated financial statements for the year ended 31 December 2025 were prepared in accordance with the IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

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

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

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation (continued)

2.1 Basis of preparation and presentation (continued)

In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026. For further details, refer to the consolidated financial statements and their disclosures for the year ended 31 December 2025.

The Group has consolidated its subsidiaries using management accounts for the six-month period ended 30 June 2026.

2.2 Fundamental accounting concept

As at 30 June 2026, the Group's current liabilities exceeded its current assets by KD632,351 (31 December 2025: KD2,142,606 and 30 June 2025: KD8,978,038). The Group's current liabilities include borrowings of KD951,750 (31 December 2025: KD1,101,750 and 30 June 2025: KD6,777,566) which are contractually due within 12 months from the end of the reporting period. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The interim condensed consolidated financial information has been prepared on a going concern basis, as management believes that the Group will be able to meet its obligations as they fall due, taking into consideration the following:

- During the year ended 31 December 2025, the Group implemented measures to strengthen its financial position, including entering into a formal debt settlement and restructuring agreement with a local bank to settle outstanding financing facilities. As a result, the Group's borrowings significantly reduced.

- During the period, the Group realised proceeds from the sale of investment properties amounting to KD1,950,000, which improved its liquidity position.

- The Group holds financial assets and non-financial assets which will generate income and provide additional liquidity, if required.

As described above, management has a reasonable expectation that the Group has taken measures and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, this interim condensed consolidated financial information has been prepared on a going concern basis.

Had the going concern basis not been used, adjustments would be made relating to the recoverability of recorded asset amounts or to the amount of liabilities to reflect the fact that the Group may be required to realize its assets and extinguish its liabilities other than in the normal course of business, at amounts different from those stated in the interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies

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, except for the adoption of the new and amended IFRS Accounting Standards effective as of 1 January 2026 as described in Note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following amendments to IFRS Accounting Standards were effective for the current period:

IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments - Amendments

The amendments to IFRS 7 and IFRS 9 addresses three changes and are required to apply the amendments retrospectively without restating prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

a) Derecognition of a financial liability settled through electronic transfer whereby entities are permitted to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option would be required to apply it to all settlements made through the same electronic payment system.

b) Classification of financial assets based on a) contractual terms that are consistent with basic lending arrangements, b) assets with non-recourse description has been enhanced to include a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets, and c) contractually linked instruments have been clarified, and

c) Disclosures relating to a) financial assets at FVTOCI where entities are required to disclose fair value gain or loss separately for financial assets derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period, and b) contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

Annual Improvements to IFRS Accounting Standards – volume 11

The annual improvement project updates a number of standards primarily providing clarifications and removing inconsistencies.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

4 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Notes to the interim condensed consolidated financial information (continued)

4 Judgement and estimates (continued)

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2025.

5 Basic and diluted loss per share attributable to the owners of the Parent Company

Basic and diluted loss per share attributable to owners of the Parent Company is calculated by dividing the loss for the period attributable to the owners of the Parent Company by weighted average number of shares outstanding during the period excluding treasury shares. As there are no dilutive instruments outstanding, basic and diluted loss per share are identical.

	Three months ended		Six months ended	
	30 June 2026 (Unaudited) KD	30 June 2025 (Unaudited) KD	**30 June 2026 (Unaudited) KD**	30 June 2025 (Unaudited) KD
Loss for the period attributable to the owners of the Parent Company (KD)	**(156,355)**	(274,534)	**(53,522)**	(1,391,968)
Weighted average number of shares outstanding during the period (excluding treasury shares) (share)	**188,128,219**	188,128,219	**188,128,219**	188,128,219
Basic and diluted loss per share attributable to owners of the Parent Company (Fils)	**(0.83)**	(1.46)	**(0.28)**	(7.40)

6 Investment properties

Investment properties are located as follows:

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Kuwait (a)	-	1,692,000	4,353,000
Other GCC countries (b)	**521,757**	377,609	379,309
	521,757	2,069,609	4,732,309

a) During the period, the Group disposed of investment properties located in Kuwait for a total consideration of KD1,950,000, resulting in a gain on disposal of KD258,000 which has been recognised in the interim condensed consolidated statement of profit or loss. The sale proceeds were used to fully settle the financing from a third party.

b) During the period, the Group valued investment properties with a carrying value of KD377,609 as of 31 December 2025, resulting in a fair value gain of KD144,148 which has been recognised in the interim condensed consolidated statement of profit or loss. Further, two investment properties located in the Sultanate of Oman are carried at Nil (31 December 2025: Nil and 30 June 2025: Nil) in this interim condensed consolidated financial information as real estate valuer was unable to reliably determine the fair value of these properties.

Notes to the interim condensed consolidated financial information (continued)

7 Financial assets at fair value through other comprehensive income

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Local quoted securities	**3,231,270**	2,770,178	1,693,148
Local unquoted securities	**2,165,356**	2,576,789	3,607,536
Foreign unquoted securities	**1,038,088**	1,085,312	1,248,206
Foreign unquoted portfolios	**542,360**	606,575	606,545
	6,977,074	7,038,854	7,155,435

These investments are held in equity instruments for medium to long term strategic objectives. Accordingly, the management has elected to identify these investments in equity instruments as investments at fair value through other comprehensive income where it is believed that the recognition of short-term fluctuations in the fair value of these investments in the consolidated statement of profit or loss will not be consistent with the Group's strategy to hold such investments for long-term purposes and realizing their performance potential in the long term.

Certain local quoted securities amounting to KD3,171,000 (31 December 2025: KD2,473,800 and 30 June 2025: Nil) are pledged against Islamic financing (Note 10.1).

The hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques is presented in Note 15.2.

8 Cash and cash equivalents

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Bank balances	**187,005**	379,233	649,602
Wakala investment deposits	**1,500,000**	-	-
Cash and cash equivalents for the purpose of interim condensed consolidated statement of financial position	**1,687,005**	379,233	649,602
Wakala investment deposit with original maturity exceeding three months	**(200,000)**	-	-
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flows	**1,487,005**	379,233	649,602

The effective interest rate on Wakala investment deposits as of 30 June 2026 ranges between 3.3% to 3.8% per annum (31 December 2025: Nil and 30 June 2025: Nil).

Notes to the interim condensed consolidated financial information (continued)

9 Treasury shares

	30 June 2026 (Unaudited)	31 Dec. 2025 (Audited)	30 June 2025 (Unaudited)
Number of treasury shares	**2,910,761**	2,910,761	2,910,761
Percentage of ownership (%)	**1.52**	1.52	1.52
Market value (KD)	**192,110**	180,176	98,966
Cost (KD)	**1,452,034**	1,452,034	1,452,034

Reserves of the Parent Company equivalent to the cost of the treasury shares held are not available for distribution.

10 Borrowings

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Financing from third parties	**-**	150,000	3,000,000
Islamic financing (10.1)	**1,903,500**	1,903,500	3,777,566
	1,903,500	2,053,500	6,777,566
Less: due within one year	**(951,750)**	(1,101,750)	(6,777,566)
Balance due after more than one year	**951,750**	951,750	-

10.1 Islamic financing

During the year ended 31 December 2024, the Group entered into a formal debt settlement agreement with a local Islamic bank to restructure outstanding Murabaha payable balance. Under the settlement agreement, the Group was required to make an upfront payment of KD4,000,000, settle legal fees of KD186,720 and obtain new financing of KD1,800,000 from the same bank. The agreement also included a debt waiver of KD3,689,558, conditional upon completion of the settlement terms. During the year ended 31 December 2024, the Group settled both the legal fees of KD186,720 and the payment of KD4,000,000 resulting into completion of settlement agreement during 2025.

Further, during the year ended 31 December 2025, the Group finalized a new Tawaruq financing facility amounting to KD1,800,000 with the same bank. The facility is repayable in two equal instalments over two years and is secured against certain local quoted securities with a carrying value of KD3,171,000 (31 December 2025: KD2,473,800 and 30 June 2025: Nil) (note 7).

11 Related party transactions

Related parties represent associates, directors and key management personnel of the Group, major shareholders and companies in which directors and key management personnel of the Parent Company are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Parent Company management.

Notes to the interim condensed consolidated financial information (continued)

11 Related party transactions (continued)

Details of significant related party transactions and balances are as follows:

	Three months ended		Six months ended	
	30 June 2026 (Unaudited) KD	30 June 2025 (Unaudited) KD	**30 June 2026 (Unaudited) KD**	30 June 2025 (Unaudited) KD
Interim condensed consolidated statement of profit or loss:				
Portfolio management fees	**25**	-	**100**	1,244
Key management compensation:				
Salaries and short-term benefits	**135,366**	58,506	**220,002**	168,543
Provision for employees' end of service indemnity	**3,185**	7,329	**13,087**	14,658

12 Segmental analysis

The Group's operating segments are real estate and financial investment. The segmental analysis of the total income and net profit for the business segments are as follows:

	Real estate KD	Financial investment KD	Unallocated KD	Total KD
For the three months ended 30 June 2026 (Unaudited)				
Total income	182,858	-	828	183,686
Profit/(loss) for the period	145,474	-	(303,443)	(157,969)
For the six months ended 30 June 2026 (Unaudited)				
Total income	496,136	-	1,042	497,178
Profit/(loss) for the period	415,953	-	(472,303)	(56,350)
Total assets	760,557	8,664,079	-	9,424,636
Total liabilities	(2,086,330)	(2,535,826)	-	(4,622,156)
Net assets	(1,325,773)	6,128,253	-	4,802,480

Notes to the interim condensed consolidated financial information (continued)

12 Segmental analysis (continued)

	Real estate KD	Financial investment KD	Unallocated KD	Total KD
For the three months ended 30 June 2025 (Unaudited)				
Total income	104,182	-	135	104,317
profit/(Loss) for the period	25,201	-	(300,984)	(275,783)
For the six months ended 30 June 2025 (Unaudited)				
Total income	198,386		228	198,614
profit/(Loss) for the period	82,763	(915,097)	(562,005)	(1,394,567)
Total assets	5,161,709	7,805,037	-	12,966,746
Total liabilities	(5,050,303)	(6,082,960)	-	(11,133,263)
Net assets	111,406	1,722,077	-	1,833,483
31 December 2025 (Audited)				
Total assets	2,280,352	7,418,087	-	9,698,439
Total liabilities	(2,217,577)	(2,560,252)	-	(4,777,829)
Net assets	62,775	4,857,835	-	4,920,610

Geographical information of revenue and assets:

	Kuwait KD	Outside Kuwait KD	Total KD
For the three months ended 30 June 2026 (Unaudited): Revenue	-	-	-
For the three months ended 30 June 2025 (Unaudited): Revenue	69,570	-	69,570
For the six months ended 30 June 2026 (Unaudited): Revenue	**26,850**	-	**26,850**
For the six months ended 30 June 2025 (Unaudited): Revenue	139,120	-	139,120
30 June 2026 (Unaudited): Total assets	**7,322,431**	**2,102,205**	**9,424,636**
31 December 2025 (Audited): Total assets	7,628,943	2,069,496	9,698,439
30 June 2025 (Unaudited): Total assets	10,732,686	2,234,060	12,966,746

Notes to the interim condensed consolidated financial information (continued)

13 Annual general assembly

The Annual General Assembly of the shareholders of the Parent Company held on 20 May 2026 approved the consolidated financial statements for the year ended 31 December 2025 and the board of directors' proposal not to distribute dividends for the year ended 31 December 2025.

14 Legal case

During 2021, the Abu Dhabi Commercial Conciliation and Arbitration Centre (ADCCAC) issued a ruling against one of the Group's subsidiaries in relation to the cancellation of a BOT investment contract between the subsidiary and the heirs of an Emirati individual. Pursuant to the ruling, the subsidiary was ordered to pay an amount of AED9,750,000 and legal fees of AED1,156,694.

During 2023, the heirs of the Emirati individual ("plaintiff") initiated legal proceedings in Kuwait to execute the ADCCAC decision. On 16 April 2023, the Kuwait Court of First Instance dismissed the case. Subsequently, the plaintiff initiated a new legal case to enforce the same ADCCAC ruling which resulted in a judgment in favor of the plaintiff.

The subsidiary appealed the decision and, on 21 January 2025, the Court of Appeals rejected the appeal and upheld the judgment in favor of the plaintiff. The subsidiary subsequently filed an appeal before the Court of Cassation. On 11 January 2026, the Court of Cassation rejected the appeal filed by the subsidiary. Subsequently, the plaintiff commenced enforcement proceedings against the subsidiary for an amount of KD922,700.

The subsidiary had also filed a counterclaim seeking recovery of amounts previously paid to the Emirati individual and has been referred to an expert and no hearing has been scheduled as at the reporting date.

Management has recognised appropriate provision in respect of this legal case representing its best estimate of the obligation based on currently available information.

15 Fair value measurement

15.1 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three Levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

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

Notes to the interim condensed consolidated financial information (continued)

15 Fair value measurement (continued)

15.2 Fair value measurement of financial instruments

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position are as follows:

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Financial assets:			
At amortised cost:			
Accounts receivable and other assets	**196,955**	200,913	392,710
Cash and cash equivalents	**1,687,005**	379,233	649,602
At fair value:			
Financial assets at fair value through other comprehensive income	**6,977,074**	7,038,854	7,155,435
	8,861,034	7,619,000	8,197,747
Financial liabilities:			
At amortised cost			
Accounts payable and other liabilities	**632,326**	656,752	2,305,394
Provision for legal cases	**974,080**	974,080	974,080
Borrowings	**1,903,500**	2,053,500	6,777,566
	3,509,906	3,684,332	10,057,040

Management considers that the carrying amounts of financial assets and all financial liabilities, which are stated at amortized cost, approximate their fair values.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value on a recurring basis in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 KD	Level 3 KD	Total KD
30 June 2026 (Unaudited)			
Financial assets			
At fair value through other comprehensive income:			
Local quoted securities	3,231,270	-	3,231,270
Local unquoted securities	-	2,165,356	2,165,356
Foreign unquoted securities	-	1,038,088	1,038,088
Foreign unquoted portfolios	-	542,360	542,360
	3,231,270	3,745,804	6,977,074

Notes to the interim condensed consolidated financial information (continued)

15 Fair value measurement (continued)

15.2 Fair value measurement of financial instruments (continued)

	Level 1 KD	Level 3 KD	Total KD
31 Dec 2025 (Audited)			
Financial assets			
At fair value through other comprehensive income:			
Local quoted securities	2,770,178	-	2,770,178
Local unquoted securities	-	2,576,789	2,576,789
Foreign unquoted securities	-	1,085,312	1,085,312
Foreign unquoted portfolios	-	606,575	606,575
	2,770,178	4,268,676	7,038,854
30 June 2025 (Unaudited)			
Financial assets			
At fair value through other comprehensive income:			
Local quoted securities	1,693,148	-	1,693,148
Local unquoted securities	-	3,607,536	3,607,536
Foreign unquoted securities	-	1,248,206	1,248,206
Foreign unquoted portfolios	-	606,545	606,545
	1,693,148	5,462,287	7,155,435

There have been no transfers between levels during the reporting period.

Level 3 fair value measurements

The Group's measurement of financial assets and liabilities classified in level 3 uses valuation techniques inputs that are not based on observable market data.

The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Opening balance	**4,268,676**	5,422,695	5,422,695
Disposals	**-**	(3,749)	(3,749)
Change in fair value	**(522,872)**	(1,150,270)	43,341
Closing balance	**3,745,804**	4,268,676	5,462,287

Changing inputs to the level 3 valuations to reasonably possible alternative assumption would not change significantly amounts recognised in profit or loss, total assets or total liabilities or total equity.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Notes to the interim condensed consolidated financial information (continued)

16 Contingent liabilities

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Issued letters of guarantee	**411,856**	411,856	411,856

17 Geopolitical developments

The Group operates in the real estate and investment sectors across various geographical markets that may be affected by geopolitical developments in the Middle East. Such developments may result in volatility in real estate and financial markets, commodity and energy prices, foreign exchange rates, financing costs and regional supply chains.

Management has assessed the potential impact of these developments on the Group's operations, financial position and future cash flows, taking into consideration the nature of its business activities.

At the reporting date, management reviewed the carrying amounts of the Group's financial and non-financial assets and considered whether current conditions indicate any impairment or require changes to related estimates. The carrying amounts best represent management's assessment of the fair values based on the observable information. Relevant valuation assumptions, cash flow forecasts and expected credit loss assessments have been reviewed and updated, where appropriate, to reflect conditions existing at the reporting date. Some markets relevant to the Group's business remain volatile and asset carrying amounts remain sensitive to market fluctuations.

As at the reporting date, the Group has not experienced any material disruption to its principal operations. Management has not identified any additional impairment losses or credit loss allowances arising from these developments beyond the amounts recognised in this interim condensed consolidated financial information.

Management has also considered the potential impact of geopolitical developments on the Group's ability to continue as a going concern and concluded that the going concern basis of preparation remains appropriate.

The geopolitical environment remains subject to change, and its ultimate impact cannot be determined with certainty. Management will continue to monitor developments and will recognise or disclose any material effects in the future reporting periods, as appropriate.

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