# Interim Condensed Consolidated Financial Information and Review Report
# Automated Systems Company – KPSC and its subsidiary
# Kuwait
# 30 June 2026 (Unaudited)

# Contents

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## Report on review of interim condensed consolidated financial information

**To the Board of Directors of**
**Automated Systems Company KPSC**
**Kuwait**

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Automated Systems Company KPSC (the "Parent Company") and its subsidiary (collectively the "Group") as of 30 June 2026 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of 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.

### Basis for Qualified Conclusion

As disclosed in Note 18 to the accompanying interim financial information, the Company announced that Kuwait Airways Company, the ultimate parent company, had accepted the Company's proposals for two projects with an aggregate disclosed value of KD 39,285,870. As at 30 June 2026, the formal contracts relating to these projects had not been signed. Based on written and verbal confirmations received, the Company commenced mobilisation activities, incurred project-related costs, placed purchase orders and made advance payments to suppliers. In the absence of duly executed contracts or other evidence establishing the enforceable rights and obligations of the parties, we were unable to determine the recoverability and appropriateness of the accounting treatment of the related costs and advance payments, or whether any adjustments or additional disclosures were required in the accompanying interim financial information.

### Qualified Conclusion

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

### Report on review of other legal and regulatory requirements

We report that the interim condensed consolidated financial information is in agreement with the books of the Parent Company, and to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, 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.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010, as amended, 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 of the Parent Company.

**Rabea Saad Al-Muhanna**
License No. 152 A
Crowe Al-Muhanna & Co

Kuwait
13 August 2026

**Automated Systems Company – KPSC and its subsidiary**
**Interim Condensed Consolidated Statement of Financial Position as at 30 June 2026 (Unaudited)**

| | Notes | 30 June 2026 (Unaudited) KD | 31 Dec 2025 (Audited) KD | 30 June 2025 (Unaudited) KD |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 5 | **78,627** | 93,894 | 134,786 |
| Accounts receivable and other assets | 6 | **-** | - | 331,386 |
| Financial assets at fair value through other comprehensive income | | **686,227** | 686,227 | 686,227 |
| | | **764,854** | 780,121 | 1,152,399 |
| **Current assets** | | | | |
| Inventories | | **402,951** | 232,410 | 1,682,879 |
| Accounts receivable and other assets | 6 | **6,449,715** | 5,285,513 | 2,475,619 |
| Financial assets at amortised cost | | **55,413** | 55,413 | 64,124 |
| Financial assets at fair value through profit or loss | | **156,991** | 155,806 | 156,979 |
| Term deposits | 7 | **5,375,000** | 6,200,000 | 7,300,000 |
| Cash and cash equivalents | 8 | **532,742** | 376,258 | 621,234 |
| | | **12,972,812** | 12,305,400 | 12,300,835 |
| **Total assets** | | **13,737,666** | 13,085,521 | 13,453,234 |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| Share capital | 9 | **10,000,000** | 10,000,000 | 10,000,000 |
| Statutory reserve | | **2,746,815** | 2,746,815 | 2,746,815 |
| Voluntary reserve | | **36,389** | 36,389 | 36,389 |
| Fair value reserve | | **686,227** | 686,227 | 686,227 |
| Accumulated losses | | **(2,498,783)** | (2,241,776) | (1,997,208) |
| **Total equity** | | **10,970,648** | 11,227,655 | 11,472,223 |
| **Non – current liabilities** | | | | |
| Employees' end of service benefits | | **791,756** | 718,139 | 727,224 |
| **Current liabilities** | | | | |
| Accounts payable and other liabilities | | **1,975,262** | 1,139,727 | 1,253,787 |
| **Total liabilities** | | **2,767,018** | 1,857,866 | 1,981,011 |
| **Total liabilities and equity** | | **13,737,666** | 13,085,521 | 13,453,234 |

Majed Ahmad Al Adwani
Chairman

*The notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information*

## Automated Systems Company – KPSC and its subsidiary
## Interim Condensed Consolidated Statement of Profit or Loss for the period ended 30 June 2026 (Unaudited)

| | | Three months ended | | Six months ended | |
|---|---|---|---|---|---|
| | Notes | **30 June 2026 (Unaudited) KD** | 30 June 2025 (Unaudited) KD | **30 June 2026 (Unaudited) KD** | 30 June 2025 (Unaudited) KD |
| Revenue from contracts with customers | | **1,176,546** | 995,353 | **2,203,224** | 2,023,153 |
| Cost of sales and services | | **(1,081,631)** | (933,270) | **(1,942,285)** | (1,922,259) |
| **Gross profit** | | **94,915** | 62,083 | **260,939** | 100,894 |
| General and administrative expenses | 11 | **(297,921)** | (325,577) | **(639,824)** | (588,476) |
| Other gains | | **273** | 924 | **1,043** | 1,594 |
| Interest income | | **55,525** | 75,812 | **114,885** | 151,244 |
| Other income | | **4,627** | 1,335 | **5,950** | 2,719 |
| **Loss for the period** | | **(142,581)** | (185,423) | **(257,007)** | (332,025) |
| **Basic and diluted loss per share attributable to the shareholders of the Parent company** | 10 | **(1.43)** | (1.85) | **(2.57)** | (3.32) |

*The notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information*

**Automated Systems Company– KPSC and its subsidiary**
**Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2026 (Unaudited)**

| | 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** | **(142,581)** | (185,423) | **(257,007)** | (332,025) |
| Other comprehensive income for the period | **-** | - | **-** | - |
| **Total comprehensive loss for the period** | **(142,581)** | (185,423) | **(257,007)** | (332,025) |

*The notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information*

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

| | Share capital KD | Statutory reserve KD | Voluntary reserve KD | Fair value reserve KD | Accumulated losses KD | Total KD |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2026 (audited)** | **10,000,000** | **2,746,815** | **36,389** | **686,227** | **(2,241,776)** | **11,227,655** |
| **Total comprehensive loss for the period** | **-** | **-** | **-** | **-** | **(257,007)** | **(257,007)** |
| **Balance at 30 June 2026 (unaudited)** | **10,000,000** | **2,746,815** | **36,389** | **686,227** | **(2,498,783)** | **10,970,648** |
| | | | | | | |
| Balance at 1 January 2025 (audited) | 10,000,000 | 2,746,815 | 36,389 | 686,227 | (1,665,183) | 11,804,248 |
| Total comprehensive loss for the period | - | - | - | - | (332,025) | (332,025) |
| Balance at 30 June 2025 (unaudited) | 10,000,000 | 2,746,815 | 36,389 | 686,227 | (1,997,208) | 11,472,223 |

*The notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information*

| | Notes | Six months ended 30 June 2026 (Unaudited) KD | Six months ended 30 June 2025 (Unaudited) KD |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| **Loss for the period** | | **(257,007)** | (332,025) |
| Adjustments for: | | | |
| Depreciation | 5 | **20,337** | 26,627 |
| Change in fair value of financial assets at FVTPL | | **(1,185)** | (1,128) |
| Gain on disposal of property, plant and equipment | | **-** | (89) |
| Interest income | | **(114,885)** | (151,244) |
| Provision for employees' end of service benefits | | **78,232** | 69,550 |
| | | **(274,508)** | (388,309) |
| Changes in operating assets and liabilities: | | | |
| Inventories | | **(170,541)** | (179,664) |
| Accounts receivable and other assets | | **(1,218,586)** | 1,854,878 |
| Accounts payable and other liabilities | | **835,535** | (80,663) |
| **Cash (used in)/from operations** | | **(828,100)** | 1,206,242 |
| Employees' end of service benefits paid | | **(4,615)** | (32,447) |
| **Net cash flows (used in)/from operating activities** | | **(832,715)** | 1,173,795 |
| **INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment | 5 | **(5,070)** | (21,854) |
| Proceeds from disposal of property, plant and equipment | | **-** | 161 |
| Decrease/(increase) in term deposits with original maturity period exceeding three months | | **825,000** | (1,050,000) |
| Interest received | | **169,269** | 169,602 |
| **Net cash flows from/(used in) investing activities** | | **989,199** | (902,091) |
| Net increase in cash and cash equivalents | | **156,484** | 271,704 |
| Cash and cash equivalents at the beginning of the period | | **376,258** | 349,530 |
| **Cash and cash equivalents at the end of the period** | 8 | **532,742** | 621,234 |

*The notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.*

## 1 Incorporation and activities of the Parent Company

Automated Systems Company – KPSC (the Parent Company) is a Kuwait Public Shareholding Company registered in Kuwait and is engaged in trading in automation equipment and secondment of staff. The Parent Company along with its subsidiary are jointly referred to as "the Group".

The objectives of the Parent Company also include the following:

- Ownership directly and indirectly in other local and foreign companies operating in the field of information technology and in the same field and activity of the Company.
- Design and equipping of computer centres and information systems for the Company and third parties.
- Development of computer systems and software and arabization systems of computer hardware and accessories.
- Training to institutions and individuals on integrated systems and electronic trade at the Company premises.
- The Company is also permitted to invest surplus fund in shares and other securities managed by portfolio managers.

The Parent Company was listed on the Boursa Kuwait on 17 November 2002.

The Parent Company is a subsidiary of Kuwait Airways Company K.S.C ("the Ultimate Parent Company"), a Kuwaiti registered entity.

The registered head office of the Parent Company is PO Box 27159, 13132 Safat, State of Kuwait.

The interim condensed consolidated financial information of the Group for the six-month period ended 30 June 2026 was authorised for issue by the Parent Company's board of directors on 13 August 2026.

The annual consolidated financial statements for the year ended 31 December 2025 were authorised for issuance by the Parent Company's Board of Directors on 18 February 2026 and are approved by the shareholders at the Annual General Meeting held on 31 March 2026.

## 2 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. The accounting policies used in the preparation of these 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.

*New standards, interpretations and amendments*
The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in this interim condensed consolidated financial information.

This interim condensed consolidated financial information does not include all information and disclosures required to complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six-months 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 its related disclosures for the year ended 31 December 2025.

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

## 3 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 expenses. Actual results may differ from these estimates.

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.

## 4 Subsidiary

*Composition of the Group*

Set out below details of the subsidiary held by the Group:

| | Country of incorporation | Voting capital held | | | Activities |
|---|---|---|---|---|---|
| | | **30 June 2026** | 31 Dec 2025 | 30 June 2025 | |
| Franchise International for General Trading Company - SPC | Kuwait | **100%** | 100% | 100% | General Trading |

## 5 Property, plant and equipment

| | **30 June 2026 (Unaudited) KD** | 31 Dec 2025 (Audited) KD | 30 June 2025 (Unaudited) KD |
|---|---|---|---|
| Opening balance | **93,894** | 139,631 | 139,631 |
| Additions | **5,070** | 24,963 | 21,854 |
| Depreciation | **(20,337)** | (53,362) | (26,627) |
| Disposals | **-** | (17,338) | (72) |
| | **78,627** | 93,894 | 134,786 |

## 6 Accounts receivable and other assets

| | **30 June 2026 (Unaudited) KD** | 31 Dec 2025 (Audited) KD | 30 June 2025 (Unaudited) KD |
|---|---|---|---|
| **Financial assets** | | | |
| ***a) Trade receivables:*** | | | |
| Trade receivables, gross | **1,015,664** | 914,353 | 732,760 |
| Less: provision for doubtful debts | **(368,008)** | (368,008) | (372,316) |
| **Trade receivables, net** | **647,656** | 546,345 | 360,444 |
| | | | |
| ***b) Other financial assets*** | | | |
| Due from Ultimate Parent Company | **2,362,673** | 1,865,737 | 1,590,569 |
| Contract assets | **1,574,913** | 1,574,913 | - |
| Accrued income | **1,115,990** | 597,846 | 777,256 |
| Other receivables | **491,197** | 357,871 | 249,549 |
| Other financial assets, gross | **5,544,773** | 4,396,367 | 2,617,374 |
| Less: provision for doubtful debts | **(422,838)** | (422,838) | (420,875) |
| **Other financial assets, net** | **5,121,935** | 3,973,529 | 2,196,499 |
| | | | |
| **Total financial assets, net** | **5,769,591** | 4,519,874 | 2,556,943 |

## 6 Accounts receivable and other assets (continued)

| | 30 June 2026 (Unaudited) KD | 31 Dec 2025 (Audited) KD | 30 June 2025 (Unaudited) KD |
|---|---|---|---|
| **Non-financial assets** | | | |
| Advances to suppliers | **584,115** | 582,612 | 80,113 |
| Prepaid Expenses | **96,009** | 183,027 | 169,949 |
| **Total non-financial assets** | **680,124** | 765,639 | 250,062 |
| **Total accounts receivables and other assets** | **6,449,715** | 5,285,513 | 2,807,005 |
| Less: non-current portion - Due from Ultimate Parent Company | - | - | (331,386) |
| **Accounts receivables and other assets – current portion** | **6,449,715** | 5,285,513 | 2,475,619 |

## 7 Term deposits

Term deposits are placed with local banks for periods more than 3 months. The effective interest rate on these term deposits as of 30 June 2026 ranged from 3.625% to 4.125% (31 December 2025: 3.9% to 4.15% and 30 June 2025: 3.9% to 4.25%) per annum.

## 8 Cash and cash equivalents

| | 30 June 2026 (Unaudited) KD | 31 Dec 2025 (Audited) KD | 30 June 2025 (Unaudited) KD |
|---|---|---|---|
| Cash on hand | **2,795** | 2,518 | 2,443 |
| Cash in managed portfolios | **8,695** | 8,714 | 6,598 |
| Bank balances | **446,252** | 365,026 | 612,193 |
| Short term deposits | **75,000** | - | - |
| | **532,742** | 376,258 | 621,234 |

Short term deposits are placed with local banks for periods less than 3 months. The effective interest rate on these short term deposits as of 30 June 2026 was 3.8% per annum.

## 9 Share capital

The share capital of the Parent Company comprises of 100,000,000 authorised, issued and fully paid up shares of 100 fils each paid in cash (31 December 2025: 100,000,000 shares of 100 fils each and 30 June 2025: 100,000,000 shares of 100 fils each).

## 10 Basic and diluted loss per share

Basic and diluted loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period as follows:

| | Three months ended | | Six months ended | |
|---|---|---|---|---|
| | **30 June 2026 (Unaudited)** | 30 June 2025 (Unaudited) | **30 June 2026 (Unaudited)** | 30 June 2025 (Unaudited) |
| Loss for the period attributable to shareholders of the Parent Company (KD) | **(142,581)** | (185,423) | **(257,007)** | (332,025) |
| Weighted average number of shares outstanding during the period (shares) | **100,000,000** | 100,000,000 | **100,000,000** | 100,000,000 |
| Basic and diluted loss per share attributable to shareholders of the Parent Company (Fils) | **(1.43)** | (1.85) | **(2.57)** | (3.32) |

## 11 General and administrative expenses

| | Six months ended 30 June 2026 (Unaudited) KD | Six months ended 30 June 2025 (Unaudited) KD |
|---|---|---|
| Staff costs | **471,790** | 398,852 |
| Remuneration of Board committee members | **18,000** | 48,041 |
| Depreciation | **17,620** | 18,509 |
| Other expenses | **132,414** | 123,074 |
| | **639,824** | 588,476 |

## 12 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties represent major shareholders, board directors, key management personnel of the Group and their close family members, and entities controlled, jointly controlled or significantly influenced by such parties. The Group has entered into transactions with related parties including the Ultimate Parent, for the sale or purchase of goods or services on terms approved by the Group management. Balances and transactions with related parties are as follows:

| | 30 June 2026 (Unaudited) KD | 31 Dec 2025 (Audited) KD | 30 June 2025 (Unaudited) KD |
|---|---|---|---|
| **Balances included in the interim condensed consolidated financial position:** | | | |
| Due from Ultimate Parent Company | **2,362,673** | 1,865,737 | 1,590,569 |

| | 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 |
| **Transaction included in the interim condensed consolidated statement of profit or loss** | | | | |
| Sale of goods and rendering services to the Ultimate Parent Company | **163,869** | 900,208 | **1,190,961** | 1,741,621 |
| **Key management compensation:** | | | | |
| Salaries and other short-term benefits | **23,123** | 23,102 | **46,245** | 46,224 |
| Other long-term benefits | **988** | 986 | **1,965** | 1,864 |
| Board Committee remuneration | **-** | 48,041 | **18,000** | 48,041 |

## 13 Segmental reporting

The Group's operating segments are determined based on the reports reviewed by the Chief Executive Officer for strategic decisions. These segments are thus operating units that offer different products and services. They are managed separately since the nature of the products and services, class of customers and marketing strategies of these segments are different.

These operating segments meet the criteria for reportable segments and are as follows:

## 13 Segmental reporting (continued)

**Services and solutions**
Services & solutions division provides a range of functions from consulting, implementation, upgrading and managing applications in areas such as Enterprise Resources Planning (ERP) and Customer Relationship Management (CRM). The department is also managing projects & human capital outsourcing and sale of software.

**Investments**
Comprising of investments in local equity funds and shares and funds managed by portfolio managers.

**Training services**
Comprising training services under the franchise agreement with the franchisor.

**Other operations**
Comprising of assets and liabilities belongs to support services departments.

Management monitors the operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

The Group measures the performance of operating segments through measurement of segment profit or loss before taxes in management and reporting system.

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

Segment assets principally comprise of all assets.

The following table presents revenue, loss for the period, total assets and total liabilities information regarding the Group's reportable segments.

**30 June 2026 (Unaudited)**

| | Services and solutions KD | Investments KD | Training services KD | Other operations KD | Total KD |
|---|---|---|---|---|---|
| Revenue from contracts with customers | 2,187,259 | - | 15,965 | - | 2,203,224 |
| **Segment results** | 293,106 | 116,070 | (39,985) | - | 369,191 |
| *Unallocated items:* | | | | | |
| General and administrative expenses | | | | | (626,198) |
| Loss for the period | | | | | (257,007) |
| Segment assets | 6,755,921 | 6,794,022 | 110,641 | 77,082 | 13,737,666 |
| Segment liabilities | 2,731,286 | - | 35,732 | - | 2,767,018 |
| Depreciation | 13,557 | - | - | 6,780 | 20,337 |
| Capital expenditure incurred during the period | 2,951 | - | - | 2,119 | 5,070 |

## 13 Segmental reporting (continued)

| 30 June 2025 (Unaudited) | Services and solutions KD | Investments KD | Training services KD | Other operations KD | Total KD |
|---|---|---|---|---|---|
| Revenue from contracts with customers | 1,998,282 | - | 24,871 | - | 2,023,153 |
| Segment results | 150,426 | 152,020 | (49,324) | - | 253,122 |
| *Unallocated items:* | | | | | |
| General and administrative expenses | | | | | (585,147) |
| Loss for the period | | | | | (332,025) |
| Segment assets | 4,366,357 | 8,792,221 | 181,087 | 113,569 | 13,453,234 |
| Segment liabilities | 1,941,767 | - | 39,244 | - | 1,981,011 |
| Depreciation | 14,201 | - | 5,861 | 6,565 | 26,627 |
| Capital expenditure incurred during the period | 18,515 | - | - | 3,339 | 21,854 |

## 14 Annual general assembly

The shareholders at the Annual General Assembly held on 31 March 2026 approved not to distribute any dividend for the year ended 31 December 2025. In addition, the Annual General Assembly of shareholders approved remuneration of Board committee members of KD 18,000 for the year ended 31 December 2025 and this has been recorded during the current period in the interim condensed consolidated statement of profit or loss and other comprehensive income. Remuneration is approved only for Board committee members, and no remuneration is provided to Board members in their capacity as Board members.

## 15 Fair value measurement

### 15.1 Fair value hierarchy

Fair value represents 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. Financial assets and financial liabilities measured at fair value in the 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).

### 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:** | | | |
| ***Amortised cost:*** | | | |
| Financial assets at amortised cost | **55,413** | 55,413 | 64,124 |
| Accounts receivable and other assets | **5,769,591** | 4,519,874 | 2,556,943 |
| Term deposits | **5,375,000** | 6,200,000 | 7,300,000 |
| Cash and cash equivalents | **532,742** | 376,258 | 621,234 |
| ***At Fair value:*** | | | |
| Financial assets at fair value through other comprehensive income | **686,227** | 686,227 | 686,227 |
| Financial assets at fair value through profit or loss | **156,991** | 155,806 | 156,979 |
| | **12,575,964** | 11,993,578 | 11,385,507 |

## 15 Fair value measurement (continued)

### 15.2 Fair value measurement of financial instruments (continued)

| | 30 June 2026 (Unaudited) KD | 31 Dec 2025 (Audited) KD | 30 June 2025 (Unaudited) KD |
|---|---|---|---|
| **Financial liabilities:** | | | |
| ***Amortised cost:*** | | | |
| Accounts payable and other liabilities | **1,975,262** | 1,139,727 | 1,253,787 |
| | **1,975,262** | 1,139,727 | 1,253,787 |

Management considers that the carrying amounts of the financial assets and all financial liabilities, which are stated at amortised 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 and liabilities measured at fair value on a recurring basis in the interim condensed consolidated financial position are grouped into the fair value hierarchy as follows:

| | | Level 1 KD | Level 2 KD | Level 3 KD | Total KD |
|---|---|---|---|---|---|
| **30 June 2026 (Unaudited)** | | | | | |
| **Financial assets at fair value** | | | | | |
| Financial assets at FVTPL | | | | | |
| Managed portfolios | (b) | - | - | **156,991** | **156,991** |
| Financial assets at FVOCI | | | | | |
| Members fund | (b) | - | - | **686,227** | **686,227** |
| | | | | **843,218** | **843,218** |
| 31 Dec 2025 (Audited) | | | | | |
| Financial assets at fair value | | | | | |
| Financial assets at FVTPL | | | | | |
| Managed portfolios | (b) | - | - | 155,806 | 155,806 |
| Financial assets at FVOCI | | | | | |
| Members fund | (b) | - | - | 686,227 | 686,227 |
| | | - | - | 842,033 | 842,033 |
| 30 June 2025 (Unaudited) | | | | | |
| Financial assets at fair value | | | | | |
| Financial assets at FVTPL | | | | | |
| Managed portfolios | (b) | - | - | 156,979 | 156,979 |
| Financial assets at FVOCI | | | | | |
| Members fund | (b) | - | - | 686,227 | 686,227 |
| | | - | - | 843,206 | 843,206 |

There have been no significant transfers between levels 1 and 2 during the reporting period.

**Measurement at fair value**

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

a) **Quoted securities**
All the listed equity securities are publicly traded in stock exchanges. Fair values have been determined by reference to their quoted bid prices at the reporting date.

## 15 Fair value measurement (continued)

### 15.2 Fair value measurement of financial instruments (continued)

**Measurement at fair value (continued)**

**b) Unquoted securities**

Unlisted securities are measured at fair value estimated using various models like discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates.

The group's financial assets and liabilities classified in Level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to end balances as follows:

| | **30 June 2026 (Unaudited) KD** | 31 Dec 2025 (Audited) KD | 30 June 2025 (Unaudited) KD |
|---|---|---|---|
| Balance at beginning of the period/year | **842,033** | 842,078 | 842,078 |
| Unrealised gain/(loss) recognised in interim condensed consolidated statement of profit or loss and other comprehensive income | **1,185** | (45) | 1,128 |
| Balance at the end of the period/year | **843,218** | 842,033 | 843,206 |

## 16 Contingent liabilities

The Group has the following commitments and contingent liabilities:

| | **30 June 2026 (Unaudited) KD** | 31 Dec 2025 (Audited) KD | 30 June 2025 (Unaudited) KD |
|---|---|---|---|
| Against letters of guarantee | **1,687,589** | 1,474,022 | 1,639,428 |

## 17 Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended 31 December 2025.

## 18 Projects with Kuwait Airways Company

The Company disclosed to Boursa Kuwait that Kuwait Airways Company, the ultimate parent company, had accepted the Company's proposals for an ERP system project valued at KD 5,835,870 and for the management of infrastructure and information technology systems valued at KD 33,450,000. As at 30 June 2026, the formal contracts for both projects had not yet been signed. Based on written and verbal confirmations received from Kuwait Airways Company and the expected project commencement requirements, the Company commenced mobilisation activities, incurred certain project-related costs, placed purchase orders and made advance payments to suppliers in connection with these projects.