Kuwait Portland Cement Co. K.P.S.C.
and its Subsidiary
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
And Review Report for the Nine-Month Period Ended 30 September 2026

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and its Subsidiary
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Review Report of Interim Condensed Consolidated Financial Information to the Board of Directors
Kuwait Portland Cement Co. K.P.S.C.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Portland Cement Co. K.P.S.C. ("The Parent Company") and its subsidiary (together referred to as "the Group") as at 30 September 2026, and the interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the nine month period then ended. The preparation and presentation of this interim condensed consolidated financial information is the responsibility of the Parent Company's management in accordance with IAS 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Report on Other Legal and Regulatory Requirements

Furthermore, the interim condensed consolidated financial information is in agreement with the books of account. We further report that, based on our review, to the best of our knowledge and belief, no violations of Companies' Law No. 1 of 2016, and its Executive Regulations, as amended, Law No. 7 of 2010 concerning the Establishment of Capital Markets Authority and the Organization of Securities Activity and its Executive Regulations and related instructions, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the nine month period ended 30 September 2026, that might have had a material effect on the business of the Parent Company or on its financial position.

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

Kuwait: 10 November 2026

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Kuwait Portland Cement Co. K.P.S.C.
and its Subsidiary
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As at 30 September 2026

	Notes	30 September 2026 KD	(Audited) 31 December 2025 KD	30 September 2025 KD
Assets				
Non-current assets				
Property, machinery and equipment	4	16,940,873	16,786,718	16,400,503
Financial assets at fair value through other comprehensive income		44,471,171	44,368,347	40,655,957
Total non-current assets		61,412,044	61,155,065	57,056,460
Current assets				
Trade and other receivables	5	20,516,324	24,125,826	18,990,758
Financial assets at fair value through profit or loss		12,396,273	12,728,260	12,429,336
Inventory	6	8,733,809	7,227,372	5,863,392
Cash and cash equivalents	7	4,341,056	4,127,276	5,432,026
Total current assets		45,987,462	48,208,734	42,715,512
Total assets		107,399,506	109,363,799	99,771,972
Equity and liabilities				
Equity				
Share capital		10,022,196	10,022,196	10,022,196
Statutory reserve		10,022,196	10,022,196	10,022,196
Voluntary reserve		10,022,196	10,022,196	10,022,196
General reserve		2,500,000	2,500,000	2,500,000
Treasury shares reserve		544,943	544,943	544,943
Change in fair value reserve		11,483,962	11,814,094	8,592,168
Retained earnings		31,762,278	33,989,189	32,752,694
Total equity		76,357,771	78,914,814	74,456,393
Liabilities				
Non-current liabilities				
Provision for legal claims		-	-	1,589,326
Provision for employees' end of service indemnity		6,054,337	5,940,548	5,995,108
Total non-current liabilities		6,054,337	5,940,548	7,584,434
Current liabilities				
Trade and other payables	8	7,009,854	12,614,470	8,714,829
Dividends payable		1,174,099	1,208,884	1,210,743
Financing from third party	9	16,803,445	10,685,083	7,805,573
Total current liabilities		24,987,398	24,508,437	17,731,145
Total liabilities		31,041,735	30,448,985	25,315,579
Total equity and liabilities		107,399,506	109,363,799	99,771,972

The accompanying notes on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Ahmed Mahmoud Issa Al-Asfour
Chairman

Khalifa Hamoud Al Ghanim
CEO and Board Member

Kuwait Portland Cement Co. K.P.S.C.
and its Subsidiary
State of Kuwait

Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)
For the nine month period ended 30 September 2026

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2026	2025	2026	2025
		KD	KD	KD	KD
Revenues					
Sales		13,695,519	26,406,786	53,162,018	76,772,759
Cost of sales		(14,849,704)	(26,770,800)	(52,872,213)	(76,101,859)
Total (loss) / profit		(1,154,185)	(364,014)	289,805	670,900
Net investment profits and yield income	10	447,545	664,916	1,333,581	3,715,472
Other income		167,529	46,932	532,458	468,130
Gain on sale of property, machinery and equipment	4	1,058,510	-	1,058,510	-
General and administrative expenses		(182,838)	(191,371)	(1,248,630)	(1,118,500)
Distribution expenses		(96,025)	(60,764)	(370,352)	(416,145)
Finance costs		(111,055)	(195,516)	(278,312)	(288,252)
Provision for legal claims		-	-	-	(1,389,326)
Profit / (loss) for the period before KFAS, NLST, Zakat and Board of Directors' remuneration		129,481	(99,817)	1,317,060	1,642,279
Contribution to Kuwait Foundation for the Advancement of Sciences		(1,295)	997	(13,171)	(16,423)
NLST		(13,462)	8,140	(15,144)	(7,996)
Zakat		(5,385)	3,257	(6,058)	(3,198)
Board of Directors' remuneration		50,000	(65,000)	(80,000)	(195,000)
Net profit / (loss) for the period		159,339	(152,423)	1,202,687	1,419,662
Basic earnings / (loss) per share (fils)	11	1.59	(1.52)	12.00	14.17

The accompanying notes on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Kuwait Portland Cement Co. K.P.S.C.
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Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the nine month period ended 30 September 2026

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	KD	KD	KD	KD
Profit / (loss) for the period	159,339	(152,423)	1,202,687	1,419,662
Other comprehensive income / (other comprehensive loss) items				
Items that may not be reclassified subsequently in the interim condensed consolidated statement of profit or loss:				
Change in fair value of financial assets at fair value through other comprehensive income	721,184	377,441	(164,939)	1,563,561
Total other comprehensive income / (other comprehensive loss) for the period	721,184	377,441	(164,939)	1,563,561
Total comprehensive income for the period	880,523	225,018	1,037,748	2,983,223

The accompanying notes on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Kuwait Portland Cement Co. K.P.S.C.
and its Subsidiary
State of Kuwait

Interim condensed consolidated statement of changes in equity (unaudited)
For the nine month period ended 30 September 2026

	Share capital	Statutory reserve	Voluntary reserve	General reserve	Treasury shares reserve	Change in fair value reserve	Retained earnings	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD
Balance as at 31 December 2024	10,022,196	10,022,196	10,022,196	2,500,000	544,943	7,119,249	36,100,351	76,331,131
Total comprehensive income for the period	-	-	-	-	-	1,563,561	1,419,662	2,983,223
Realized gain on sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	153,103	153,103
Effect of disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	(90,642)	90,642	-
Cash dividends	-	-	-	-	-	-	(5,011,064)	(5,011,064)
Balance as at 30 September 2025	10,022,196	10,022,196	10,022,196	2,500,000	544,943	8,592,168	32,752,694	74,456,393
Balance as at 31 December 2025	10,022,196	10,022,196	10,022,196	2,500,000	544,943	11,814,094	33,989,189	78,914,814
Total (other comprehensive loss) / comprehensive income for the period	-	-	-	-	-	(164,939)	1,202,687	1,037,748
Realized gain on sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	414,060	414,060
Effect of disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	(165,193)	165,193	-
Cash dividends (Note 17)	-	-	-	-	-	-	(4,008,851)	(4,008,851)
Balance as at 30 September 2026	10,022,196	10,022,196	10,022,196	2,500,000	544,943	11,483,962	31,762,278	76,357,771

The accompanying notes on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Kuwait Portland Cement Co. K.P.S.C.
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Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the nine month period ended 30 September 2026

	Nine months ended 30 September	
	2026	**2025**
	KD	KD
Cash flows from operating activities		
Net profit for the period	1,202,687	1,419,662
Adjustments to:		
Depreciation	821,870	1,835,455
Gain on sale of property, machinery and equipment	(1,058,510)	-
Net investment profits and yield income	(1,333,581)	(3,715,472)
Finance costs	278,312	288,252
Provision for legal claims	-	1,389,326
Net provision for employees' end of service indemnity	284,750	342,088
	195,528	1,559,311
Movement in working capital:		
Trade and other receivables	4,456,311	7,005,492
Inventory	(1,506,437)	(1,141,969)
Trade and other payables	(5,604,616)	(2,205,869)
Cash (used in) / from operations	(2,459,214)	5,216,965
Payment of employees' end of service indemnity	(170,961)	(60,219)
Net cash (used in) /from operating activities	(2,630,175)	5,156,746
Cash flows from investing activities		
Paid for purchase of property, machinery and equipment	(976,026)	(2,061,525)
Proceeds from sale of property, machinery and equipment	211,702	-
Financial assets at fair value through other comprehensive income	146,297	366,111
Financial assets at fair value through profit or loss	17,990	421,591
Dividend income received	1,404,334	1,326,950
Sukuk yield income received	243,244	277,349
Net cash from investing activities	1,047,541	330,476
Cash flows from financing activities:		
Net movement in finance from third party	6,118,362	1,705,460
Dividends paid	(4,043,636)	(4,642,018)
Finance costs paid	(278,312)	(288,252)
Net cash from / (used in) financing activities	1,796,414	(3,224,810)
Net increase in cash and cash equivalents	213,780	2,262,412
Cash and cash equivalents at the beginning of the period	4,127,276	3,169,614
Cash and cash equivalents at end of the period (Note 7)	4,341,056	5,432,026

The accompanying notes on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

1. General Information

Kuwait Portland Cement Company K.S.C. (Public) (the "Parent Company") was incorporated on 7 July 1976 in Kuwait as per Memorandum of Incorporation No. 966, Vol. 2, and was listed in Boursa Kuwait on 1 April 1995. The latest amendment made to the Parent Company's Memorandum of Incorporation and Articles of Association was authenticated in the Parent Company's commercial register on 6 May 2024 under transaction number 62973 for amending the purposes of the Parent Company in accordance with the instructions of the Ministry of Commerce and Industry.

The amended principal activities of the Parent Company are as follows:

Manufacturing various types of concrete or cement, wholesale selling of cement, gypsum, and similar materials, transporting liquids or liquid gases or chemicals, investing financial surpluses in financial portfolios managed by specialized companies and entities, buying and selling stocks and bonds on behalf of the Company, wholesale selling of bricks, tiles, ceramics, and marble, retail selling of bricks, tiles, ceramics, and marble, wholesale selling of construction materials and metal construction materials, plumbing and heating equipment and supplies, manufacturing concrete blocks, wholesale selling of ready-mixed concrete, retail selling of ready-mixed concrete, owning real estate and movable assets for the account of the Company, gravel crusher, importing gravel, extracting sand and re-packing it (gravel), wholesale selling of sand and gravel, processing construction waste, processing and disposing of non-hazardous waste, transporting solid and liquid waste, importing chemicals, chemical storage facilities, buying and selling motor vehicles, car repair garage, auto body shops, car painting and finishing shops, general warehouses containing a variety of goods (excluding refrigerated items), retail selling of construction materials and scrap, storage in warehouses, export and import offices, and selling all types of iron and blacksmith supplies.

The address of the Parent Company's registered office is P.O. Box, 42191-70652, Shuwaikh, State of Kuwait.

The interim condensed consolidated financial information of Kuwait Portland Cement Company K.S.C. (Public) and its subsidiary (the Group) for the period ended 30 September 2026 were authorized for issue by the Parent Company's board of directors on 10 November 2026.

2. Basis of preparation

This interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included.

Operating results for the nine month period ended 30 September 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026. For further information, please refer to the annual audited consolidated financial statements of the Group 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 Group.

2. Basis of preparation (Continued)

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the financial year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that was issued but 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: Disclosures and accompanying guidance on the application of IFRS 7 and IFRS 9: Financial instruments, IFRS 10: Consolidated financial statements, and IAS 7: Statement of Cash Flows.

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

3. Use of judgements and estimates

In preparation of the interim condensed consolidated financial information, the management made judgments and estimates that may affect the adoption of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Actual results may differ from these estimates. The significant judgements made by management in adopting the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

4. Property, machinery and equipment

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD	KD	KD
Net carrying amount at beginning of the period / year	16,786,718	16,174,433	16,174,433
Depreciation charged during the period / year	(821,870)	(1,903,864)	(1,835,455)
Additions during the period /year	976,026	2,516,177	2,061,525
Disposals during the period / year	(1)	(28)	-
	16,940,873	16,786,718	16,400,503

During the period ended 30 September 2026, the Group sold one of its commercial vessels to an external party for a consideration of AED 13,371,582 (equivalent to KD 1,058,511). The net carrying amount of the vessel sold at the disposal date was KD 1, resulting in a gain on disposal of KD 1,058,510, which was included in the interim condensed consolidated statement of profit or loss for the period.

As at 30 September 2026, an amount of AED 2,674,316 (equivalent to KD 211,702) was received out of the total sale consideration, and the remaining balance of AED 10,697,266 (equivalent to KD 846,809) was recorded under due from sale of property, machinery and equipment (Note 5).

5. Trade and other receivables

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD	KD	KD
Trade receivables	24,006,953	28,588,993	23,475,098
Provision for doubtful accounts	(5,513,921)	(5,513,921)	(5,513,921)
	18,493,032	23,075,072	17,961,177
Due from sale of property, machinery and equipment (Note 4) (a)	846,809	-	-
Prepaid expenses	395,477	331,734	332,868
Other receivables	781,006	719,020	696,713
	20,516,324	24,125,826	18,990,758

a) Subsequent to the interim condensed consolidated financial information date, the total amount due from the sale of property, machinery and equipment (commercial vessel) amounting to KD 846,809 was collected.

6. Inventory

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD	KD	KD
Raw materials	1,525,527	1,040,771	973,729
Cement	748,265	707,392	1,140,236
Steel	967,565	669,590	1,183,023
Cement sacks	15,269	67,684	654
Goods in transit	954,894	1,848,622	1,538,439
Spare parts	583,241	673,747	757,553
Aggregate	3,966,749	2,247,267	297,459
	8,761,510	7,255,073	5,891,093
Provision for slow-moving inventories	(27,701)	(27,701)	(27,701)
	8,733,809	7,227,372	5,863,392

7. Cash and cash equivalents

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD	KD	KD
Cash on hand	162,769	127,916	240,818
Bank balances	2,669,084	2,925,390	3,240,052
Cash in investment portfolios	1,509,203	1,073,970	1,951,156
	4,341,056	4,127,276	5,432,026

8. Trade and other payables

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD	KD	KD
Trade payables	4,939,447	10,070,700	6,389,139
Accrued expenses	1,248,686	1,586,447	1,524,668
Accrued Employees' leave	632,906	622,881	578,405
Contribution to Kuwait Foundation for the Advancement of Sciences	43,077	29,906	16,423
NLST	46,955	31,811	7,996
Zakat	18,783	12,725	3,198
Board of Directors' remuneration	80,000	260,000	195,000
	7,009,854	12,614,470	8,714,829

9. Financing from third party

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD	KD	KD
Ijarah contract (a)	2,788,123	2,788,123	2,793,322
Bank overdraft (b)	7,393,916	6,811,057	1,012,251
Wakala investment (c)	2,621,406	1,085,903	4,000,000
Term loan (d)	4,000,000	-	-
	16,803,445	10,685,083	7,805,573

a. Ijarah contract with a commitment to ownership of buildings with one of the local Islamic banks carries a profit rate of 1.75% per annum over the discount rate announced by the Central Bank of Kuwait, and the lease term ends on 5 January 2027.

b. Overdraft facility granted by local banks, carrying an interest rate of 1.5% per annum over the Central Bank of Kuwait discount rate, and is repayable within one year.

c. Wakala investment facility agreement with a local Islamic bank, carrying a profit rate of 1.25% per annum over the Central Bank of Kuwait discount rate, maturing on 7 December 2026.

d. Term loan granted by a local bank, carrying an interest rate of 1.25% per annum over the Central Bank of Kuwait discount rate, maturing on 15 November 2026.

10. Net investments profits and yield income

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	KD	KD	KD	KD
Realized (losses) / profits on sale of financial assets at fair value through profit or loss	(56,346)	357,391	(307,752)	976,126
Unrealized profits / (losses) from change in fair value of the financial assets at fair value through profit or loss	76,010	(76,696)	(6,245)	1,135,047
Dividend income	363,512	306,846	1,404,334	1,326,950
Sukuk yield income	64,369	77,375	243,244	277,349
	447,545	664,916	1,333,581	3,715,472

11. Basic earnings /(loss) per share (fils)

Basic earnings /(loss) per share are calculated by dividing net profit /(loss) for the period by the weighted average number of outstanding shares:

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
Profit / (loss) for the period (KD)	159,339	(152,423)	1,202,687	1,419,662
Weighted average number of outstanding shares (shares)	100,221,960	100,221,960	100,221,960	100,221,960
Basic earnings / (loss) per share (fils)	1.59	(1.52)	12.00	14.17

12. Related party transactions

Related parties mainly consist of major shareholders, board members and key management personnel of the Group and entities controlled or significantly influenced by such parties. All related party transactions are carried at terms approved by the Group's management.

Related parties transactions included in the interim condensed consolidated financial information were as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	KD	KD	KD	KD
Interim condensed consolidated statement of profit or loss:				
Staff and executive managers:				
Salaries and other benefits	208,691	208,691	626,073	626,073
(Write back of) /Board of directors' remuneration	(50,000)	65,000	80,000	195,000

13. Segment information

Operating segments are to be identified based on the internal reports of Group segments which are regularly reviewed by the chief decision maker so as to evaluate their performance. The Parent Company's management has classified the Group's products and services into the following operational segments according to the IFRS 8: "Operating Segments":

- Cement, steel, aggregate and ready mix.
- Investments.

13. Segment information (Continued)

Below is the analysis of income and profit of segments as disclosed:

	Segments revenues Operational		Net profit Operating Segments	
	Nine months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	KD	KD	KD	KD
Cement, steel, aggregate and ready mix	53,162,018	76,696,629	289,805	670,900
Investments	-	-	1,333,581	3,715,472
Total for operations	53,162,018	76,696,629	1,623,386	4,386,372
Unallocated income			532,458	468,130
Gain on sale of property, machinery and equipment			1,058,510	-
General, administrative and distribution expenses			(1,618,982)	(1,534,645)
Finance costs			(278,312)	(288,252)
Provision for legal claims			-	(1,389,326)
Withholdings and tax			(34,373)	(27,617)
Board of Directors' remuneration			(80,000)	(195,000)
Net profit for the period			1,202,687	1,419,662

For the purposes of monitoring segment performance and allocating resources between segments, the segment assets and liabilities are as follows:

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD	KD	KD
Assets			
Cement, steel, aggregate and ready mix	50,532,062	52,267,192	46,686,679
Investments	56,867,444	57,096,607	53,085,293
	107,399,506	109,363,799	99,771,972

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD	KD	KD
Liabilities			
Cement, steel, aggregate and ready mix	13,064,191	18,555,018	16,299,263
Unallocated	17,977,544	11,893,967	9,016,316
	31,041,735	30,448,985	25,315,579

14. Fair value measurement

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

14. Fair value measurement (Continued)

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are supported by observable sources for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data (unobservable inputs).

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

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

30 September 2026	**Level 1**	**Level 3**	**Total**
	KD	KD	KD
Financial assets at fair value through profit or loss			
Quoted financial assets	12,340,526	-	12,340,526
Unquoted financial assets	-	55,747	55,747
Financial assets at fair value through other comprehensive income			
Quoted financial assets	44,471,171	-	44,471,171

31 December 2025	**Level 1**	**Level 3**	**Total**
	KD	KD	KD
Financial assets at fair value through profit or loss			
Quoted financial assets	12,672,513	-	12,672,513
Unquoted financial assets	-	55,747	55,747
Financial assets at fair value through other comprehensive income			
Quoted financial assets	44,368,347	-	44,368,347

30 September 2025	**Level 1**	**Level 3**	**Total**
	KD	KD	KD
Financial assets at fair value through profit or loss			
Quoted financial assets	12,373,589	-	12,373,589
Unquoted financial assets	-	55,747	55,747
Financial assets at fair value through other comprehensive income			
Quoted financial assets	39,315,058	-	39,315,058
Unquoted financial assets	-	1,340,899	1,340,899

14. Fair value measurement (Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Group's specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Valuation of unquoted equity investments classified under level 3 is normally based on price to book value technique, dividend yield method and external valuations with marketability discount provided.

15. Contingent liabilities

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD	KD	KD
Letters of guarantee	9,085,405	8,260,714	35,768,103

16. Legal actions and claims

The Group has legal claims represented in legal claims filed by the Group against third parties and by third parties against the Group. It is not possible to estimate the results that will arise from these legal claims until they are ruled by courts and as per the Management's estimates and the Group's legal advisor.

17. General Assembly of Shareholders

On 20 April 2026, the Ordinary General Assembly of the Parent Company's Shareholders was held and decided the following:

- Approval of the consolidated financial statements for the financial year ended 31 December 2025.
- Approval on the distribution of cash dividends for the year ended 31 December 2025, at 40% of the nominal value of 40 fils per share aggregating to KD 4,008,851, to the shareholders registered on maturity date, 20 May 2026.
- Approval of Borad Directors' remuneration at an amount of KD 260,000.

18. Comparative figures

Certain comparative figures have been reclassified to conform with the current presentation of the interim condensed consolidated financial information, with no impact on profit for the period or equity.

19. Geopolitical Escalation Risks

The Group operates in a global and regional economic environment that continues to be affected by escalating geopolitical tensions in the Middle East. Recent developments in the region have heightened uncertainty in global and regional markets, increased risk levels associated with supply chains, transportation, freight, and energy costs, as well as potential impacts on operational and commercial activities. Management has assessed the potential impacts of these developments on the Group's operations and its consolidated financial position, taking into consideration the following:

- Macroeconomic conditions and economic growth trends, and their impact on the building materials sector and operational and commercial activities.

- Risks of rising costs of raw materials, fuel, energy, and production supplies, and the extent to which global and regional supply chains are impacted, including potential delays in import and supply operations and increases in shipping and insurance costs.

- Continuity of operational and production activities, including the Group's maintenance of production levels and meeting customer requirements amidst any potential disruptions in supply chains or logistics services.

- Risks of rising transportation, storage, and maintenance costs, and their impact on operational efficiency and profit margins.

- Credit risks relating to customers and trade receivables, particularly in the construction and contracting sectors, which may be directly or indirectly affected by economic slowdown or market disruptions.

- Market risks, including potential fluctuations in the values of financial investments, and the ability to liquidate investments at fair values during periods of high volatility.

Management evaluated the impact of current geopolitical developments on its operations and assessed potential effects on the Group's operational and commercial activities, including assessing credit risks related to customers, expected credit losses, and how these developments reflect on the carrying amounts of assets and liabilities.

Group management monitors the impact of these developments on its operational and production activities, as the continuation of these conditions may lead to increased production, transportation, and storage costs, or affect the availability of raw materials, demand levels, and sales in future periods. Management will continue to periodically monitor this while taking appropriate measures to mitigate any potential impacts, including diversifying supply sources, strengthening operational risk management plans, and maintaining the continuity of production operations.