NATIONAL REAL ESTATE COMPANY - K.P.S.C. AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2026
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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STATE OF KUWAIT

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
National Real Estate Company K.P.S.C.
State of Kuwait

Introduction

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

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim 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 stated in Note (6 – c/ii) to the interim condensed consolidated financial information, one of the Associates recognized a legal claim receivable amounting to KD 64,488 thousand from the General Administration of Customs in the State of Kuwait, pursuant to the final judgment issued by the Court of Cassation. As at the date of the interim condensed consolidated financial information, enforcement and recovery of the judgment are still in progress and the quantum and timing of recovery remains uncertain. On account of this uncertainty, sufficient appropriate evidence about the recoverability of the legal claim receivable was not available. In addition, while the Associate is legally entitled to interest of 7% per annum on the awarded compensation, the enforceable basis for determining the interest amount remains legally indeterminate as at the reporting date. Consequently, we were unable to obtain sufficient appropriate evidence to determine whether any adjustments to the carrying amount of the legal claim receivable, including the related interest, were necessary.

Qualified Conclusion

Based on our review, except for the possible effect of the matter described in the "Basis for Qualified Conclusion" paragraph above, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

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Emphasis of Matters

1. We draw attention to Note (6 – c/i) to the interim condensed consolidated financial information, which describes one of the Associates' investment properties leased from the Public Authority for Industry ("PAI") in the State of Kuwait, for which the underlying lease contracts have expired and are subject to ongoing legal disputes with PAI. As disclosed in that note, these properties are carried at Nil Kuwaiti dinars as at the date of the interim condensed consolidated financial information. During the period, the associate recognised a fair value loss of KD 192,637 thousand and expected credit losses of KD 43,388 thousand in respect of the related properties and receivables.

   We further draw attention to Notes (6-c/i), (6-c/v), and (6-c/vi), which describes claims initiated by the Public Authority for Industry ("PAI") in the State of Kuwait against one of the Associates, seeking compensation for the continued use of these properties following the expiry of the underlying lease contracts, for which no provision has been recognized because the related amounts cannot be reliably estimated as at the date of the interim condensed consolidated financial information. Our conclusion is not modified in respect of this matter.

2. We draw attention to Note (6-c/iii) to the interim condensed consolidated financial information, which describes the contingencies and claims between one of the Associates and the General Administration of Customs in the State of Kuwait. Our conclusion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, except for the effect of matters described in the "Basis for Qualified Conclusion" and "Emphasis of Matters" paragraphs above, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine month period ended September 30, 2026, that might have had a material effect on the Group's financial position or results of its operations.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and Regulation of Securities, as amended, and its Executive Regulations during the nine-month period ended September 30, 2026 that might have had a material effect on the Parent Company's financial position or result of its operations.

State of Kuwait
November 12, 2026

Albazie & Co. RSM

Nayef M. Albazie
License No. 91-A
RSM Albazie & Co.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

	Notes	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
ASSETS				
Cash and cash equivalents	3	**12,871,663**	19,146,129	11,613,373
Accounts receivable and other debit balances		**9,215,677**	9,002,085	12,532,289
Financial assets at fair value through profit or loss ("FVPL")	15	**26,633,923**	24,174,363	23,212,424
Inventory properties	4	**605,288**	3,905,763	3,811,599
Financial assets at fair value through other comprehensive income ("FVOCI")	15	**3,900,704**	4,506,993	6,829,535
Investment in joint ventures	5 , 7	**5,005,200**	26,791,103	35,518,694
Investment in associates	6	**274,463,971**	412,820,718	360,442,569
Properties under development	7	**9,720,189**	32,751,475	31,296,651
Property and equipment		**602,259**	636,646	724,050
Right-of-use assets		**2,245,672**	2,445,406	2,442,037
Investment properties		**7,725,386**	7,446,225	7,475,441
Assets held for sale	7	**10,010,400**	-	-
Total assets		**363,000,332**	543,626,906	495,898,662
LIABILITIES AND EQUITY				
Liabilities:				
Bank borrowings		**118,357,793**	153,879,858	149,873,206
Lease liabilities		**564,694**	744,950	746,772
Accounts payable and other credit balances		**52,118,013**	56,870,227	54,948,110
Provision for end of service benefits		**1,175,735**	1,095,381	1,097,710
Total liabilities		**172,216,235**	212,590,416	206,665,798
Equity:				
Share capital	8	**218,436,335**	218,436,335	218,436,335
Share premium		**5,266,764**	5,266,764	5,266,764
Treasury shares	9	**(19,652,541)**	(10,712,250)	(10,712,250)
Statutory reserve		**72,169,682**	72,169,682	72,169,682
Other reserves		**(175,283,003)**	(75,842,248)	(144,621,271)
Retained earnings		**86,356,228**	118,186,077	145,389,115
Equity attributable to shareholders of the Parent Company		**187,293,465**	327,504,360	285,928,375
Non-controlling interests		**3,490,632**	3,532,130	3,304,489
Total equity		**190,784,097**	331,036,490	289,232,864
Total liabilities and equity		**363,000,332**	543,626,906	495,898,662

The accompanying notes (1) to (18) form an integral part of the interim condensed consolidated financial information.

Faisal Jamil Sultan Al-Essa
Vice Chairman and Chief Executive Officer

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2026	2025	**2026**	2025
Sale of inventory properties		**5,030,364**	704,442	**6,074,599**	1,767,956
Rental income		**328,466**	283,587	**935,321**	830,662
		5,358,830	988,029	**7,009,920**	2,598,618
Cost of inventory properties sold		**(3,643,638)**	(266,143)	**(4,167,421)**	(726,919)
Gross profit		**1,715,192**	721,886	**2,842,499**	1,871,699
General and administrative expenses		**(1,935,055)**	(1,558,523)	**(4,379,818)**	(3,635,608)
Depreciation and amortization		**(81,691)**	(81,071)	**(250,103)**	(243,255)
Allowance for expected credit losses		**(7)**	-	**(832)**	(30,607)
Share of results from joint venture		**-**	831,506	**-**	2,189,578
Gain on sale of investment in a Joint Venture	5	**-**	-	**5,778,395**	-
Share of results from associates	6	**3,792,025**	22,456,035	**(40,501,395)**	(38,830,699)
Gain on disposal of subsidiary	7	**8,882,446**	-	**8,882,446**	-
Interest income		**127,216**	113,943	**392,299**	328,909
Finance charges		**(1,762,416)**	(2,454,695)	**(5,731,467)**	(7,123,641)
Net other (expenses) income	5	**(121,149)**	103,736	**1,579,425**	365,268
Profit (loss) for the period before taxation		**10,616,561**	20,132,817	**(31,388,551)**	(45,108,356)
Taxation charged on foreign subsidiaries		**(61,868)**	(4,324)	**(141,642)**	(57,056)
Profit (loss) for the period		**10,554,693**	20,128,493	**(31,530,193)**	(45,165,412)
Attributable to:					
Shareholders of the Parent Company		**10,492,861**	**20,106,940**	**(31,678,542)**	(45,177,975)
Non-controlling interests		**61,832**	**21,553**	**148,349**	12,563
Profit (loss) for the period		**10,554,693**	**20,128,493**	**(31,530,193)**	(45,165,412)
Basic and diluted earnings (loss) per share attributable to the shareholders of the Parent Company (Fils)	11	**5.43**	10.09	**(16.10)**	(22.66)

The accompanying notes (1) to (18) form an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2026	2025	**2026**	2025
Profit (loss) for the period		**10,554,693**	20,128,493	**(31,530,193)**	(45,165,412)
Other comprehensive loss:					
Items that may be reclassified subsequently to profit or loss:					
Group's share of other comprehensive income (loss) of the associates	6	**15,211,326**	6,756,165	**32,073,897**	(6,961,210)
Exchange difference on translation of foreign operations		**(1,784,602)**	(1,837,460)	**2,480**	2,131,150
Reclassification to the statement of profit or loss on disposal of an investment in a joint venture and subsidiary		**(380,378)**	-	**(6,537,056)**	-
Items that will not be reclassified subsequently to profit or loss:					
Group's share of other comprehensive loss of the associates	6	**(90,483,946)**	(66,360,993)	**(118,667,734)**	(30,381,906)
Change in fair value of financial assets at fair value through other comprehensive income		**-**	(51,462)	**(142,092)**	58,573
Group's share of other reserves of the associates	6	**(1,812)**	14,741,288	**(1,590,851)**	10,420,407
Other comprehensive loss for the period		**(77,439,412)**	(46,752,462)	**(94,861,356)**	(24,732,986)
Total comprehensive loss for the period		**(66,884,719)**	(26,623,969)	**(126,391,549)**	(69,898,398)
Attributable to:					
Shareholders of the Parent Company		**(67,000,321)**	(26,689,173)	**(126,479,304)**	(69,950,153)
Non-controlling interests		**115,602**	65,204	**87,755**	51,755
Total comprehensive loss for the period		**(66,884,719)**	(26,623,969)	**(126,391,549)**	(69,898,398)

The accompanying notes from (1) to (18) form an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the Parent Company											
					Reserves							
	Share capital	Share premium	Treasury shares	Statutory reserve	Effect of changes in other comprehensive (loss) income of associates	Group's share of other reserves of associates	Group's share of changes in other equity items of associates	Other reserves (Note 10)	Retained earnings	Sub-total	Non-controlling interests	Total equity
Balance as at January 1, 2025	208,034,605	5,266,764	(10,316,727)	72,169,682	(68,057,741)	(16,384,481)	-	(17,822,207)	200,968,820	373,858,715	3,520,297	377,379,012
Total comprehensive (loss) income for the period	-	-	-	-	(37,343,116)	10,420,407	-	2,150,531	(45,177,975)	(69,950,153)	51,755	(69,898,398)
Purchase of treasury shares	-	-	(395,523)	-	-	-	-	-	-	(395,523)	-	(395,523)
Effect of changes in other equity items of an associate company (Note 6)	-	-	-	-	-	-	(17,584,664)	-	-	(17,584,664)	-	(17,584,664)
Cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(267,563)	(267,563)
Issuance of bonus shares (Note 17)	10,401,730	-	-	-	-	-	-	-	(10,401,730)	-	-	-
Balance as at September 30, 2025	218,436,335	5,266,764	(10,712,250)	72,169,682	(105,400,857)	(5,964,074)	(17,584,664)	(15,671,676)	145,389,115	285,928,375	3,304,489	289,232,864
Balance at January 1, 2026	218,436,335	5,266,764	(10,712,250)	72,169,682	68,579,380	(19,996,547)	(108,743,861)	(15,681,220)	118,186,077	327,504,360	3,532,130	331,036,490
Total comprehensive (loss) income for the period	-	-	-	-	(86,593,837)	(1,590,851)	-	(6,616,074)	(31,678,542)	(126,479,304)	87,755	(126,391,549)
Effect of changes in other equity items of associates (Note 6)	-	-	-	-	-	-	(4,703,229)	-	-	(4,703,229)	-	(4,703,229)
Effect of selling financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	151,307	(151,307)	-	-	-
Cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(129,253)	(129,253)
Purchase of treasury shares	-	-	(37,483,707)	-	-	-	-	-	-	(37,483,707)	-	(37,483,707)
Sales of treasury shares	-	-	28,543,416	-	-	-	-	(455,893)	-	28,087,523	-	28,087,523
Share-based payment (Note 10 - a)	-	-	-	-	-	-	-	367,822	-	367,822	-	367,822
Balance as at September 30, 2026	**218,436,335**	**5,266,764**	**(19,652,541)**	**72,169,682**	**(18,014,457)**	**(21,587,398)**	**(113,447,090)**	**(22,234,058)**	**86,356,228**	**187,293,465**	**3,490,632**	**190,784,097**

The accompanying notes (1) to (18) form an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

	Notes	Nine months ended September 30, 2026	2025
Cash flows from operating activities:			
Loss for the period before taxation		**(31,388,551)**	(45,108,356)
Adjustments:			
Interest income		**(392,299)**	(328,909)
Depreciation and amortization		**250,103**	243,255
Allowance for expected credit losses		**832**	30,607
Share of results from joint venture		**-**	(2,189,578)
Gain on sale of investment in a Joint Venture	5	**(5,778,395)**	-
Dividend income	5	**(1,064,838)**	-
Share of results from the associates	6	**40,501,395**	38,830,699
Gain on disposal of subsidiary	7	**(8,882,446)**	-
Provision for end of service benefits		**97,275**	142,610
Finance charges		**5,731,467**	7,123,641
		(925,457)	(1,256,031)
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		**(214,674)**	(3,178,271)
Inventory properties		**3,827,370**	687,540
Properties under development		**600,619**	(353,147)
Accounts payable and other credit balances		**(7,202,243)**	(868,844)
Cash flows used in operations		**(3,914,385)**	(4,968,753)
Payment for end of service benefits		**(16,921)**	(744)
Net cash flows used in operating activities		**(3,931,306)**	(4,969,497)
Cash flows from investing activities:			
Payment for acquisition of additional interest in an associate		**-**	(17,792,667)
Proceeds from the disposal of an investment in a joint venture	5	**26,412,820**	-
Payment for addition of financial assets at fair value through other comprehensive income ("FVOCI")		**(67,106)**	(745,933)
Proceeds from sale of financial assets at fair value through other comprehensive income ("FVOCI")		**534,433**	-
Payment for addition of property and equipment		**(27,272)**	(3,771)
Payment for addition of investment properties		**(248,446)**	(444,045)
Dividends received from the associates	6	**5,732,813**	8,524,345
Dividends received from joint venture		**-**	1,259,097
Dividends income received	5	**1,064,838**	-
Net cash proceeds from the disposal of a subsidiary		**15,506,946**	-
Interest income received		**392,299**	328,909
Net cash flows generated from (used in) investing activities		**49,301,325**	(8,874,065)
Cash flows from financing activities:			
Net movement in bank borrowings		**(35,522,065)**	7,524,220
Payment of lease liabilities		**(170,525)**	(167,712)
Purchase of treasury shares		**(37,483,707)**	(395,523)
Proceeds from sale of treasury shares		**28,087,523**	-
Net movement of restricted cash		**1,574**	36,159
Finance charges paid		**(4,977,729)**	(5,942,239)
Dividends paid to non-controlling interests		**-**	(267,563)
Net cash flows (used in) generated from financing activities		**(50,064,929)**	787,342
Net decrease in cash and cash equivalents		**(4,694,910)**	(13,056,220)
Effect of exchange rate changes on cash and cash equivalents in foreign currencies		**(1,545,438)**	(426,832)
Cash attributable to the disposed subsidiary	7	**(32,544)**	-
Cash and cash equivalents at beginning of the period	3	**19,083,994**	25,034,044
Cash and cash equivalents at end of the period	3	**12,811,102**	11,550,992

The accompanying notes (1) to (18) form an integral part of the interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

1. Incorporation and principal activities

National Real Estate Company (the "Parent Company") is a Kuwaiti Public Shareholding Company incorporated pursuant to Memorandum of Incorporation authenticated at the Ministry of Justice – Real Estate Registration and Authentication Department under reference No. 701 / Volume 2 dated June 24, 1973 and its subsequent amendments, the latest of which was notarized in the commercial registry under reference no. 19628 dated June 1, 2025 (Note 17). The Parent Company was listed in Boursa Kuwait on September 29, 1984.

The principal activities of the Parent Company include:

- Purchase and sale of land and real estate.
- Management of third-party properties.
- General construction of residential buildings.
- Management of public facilities.
- Operation of exhibitions and entertainment markets.
- Sale and purchase of stocks and bonds on behalf of the company.
- Real estate consulting.
- Repair and maintenance of air conditioning, refrigeration, and air purification equipment.
- Organization and management of trade fairs.
- Auctions in non-stores.
- Ownership of real estate and movable property for the benefit of the company.
- Design, construction, operation, maintenance, and transfer of projects under the PPP system.
- Restaurant management.
- Hotel management and operation.
- Investing financial surpluses in financial portfolios managed by specialized companies and entities.

The address of the Parent Company's registered office is P.O. Box 22644, Safat 13087, State of Kuwait.

The interim condensed consolidated financial information for the period ended September 30, 2026, was authorized for issue by the Board of Directors of the Parent Company on November 12, 2026.

2. Basis of preparation

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

The Group has not early adopted any standard, interpretation or amendments that have been issued but is not yet effective. Other amendments apply for the first time in 2026, but do not have an impact on the interim condensed consolidated financial information of the Group.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

3. Cash and cash equivalents

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Cash on hand and at banks	**10,566,225**	17,878,363	10,729,099
Short term bank deposits and treasury bills (a)	**2,305,438**	1,267,766	884,274
Cash and bank balances	**12,871,663**	19,146,129	11,613,373

a) The effective interest rate on short term bank deposits and treasury bills ranges from 3.375% to 5.375% (December 31, 2025: range from 3.375% to 5.375% and September 30, 2025: range from 3.5% to 4.5%) per annum, these deposits and treasury bills have a contractual maturity of 90 days.

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents consist of the following:

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Cash and bank balances	**12,871,663**	19,146,129	11,613,373
Less: restricted cash at banks	**(60,561)**	(62,135)	(62,381)
Cash and cash equivalents as presented in the interim condensed consolidated statement of cash flows	**12,811,102**	19,083,994	11,550,992

4. Inventory property

During the financial period ended September 30, 2026, one of the subsidiaries of the Group, Darwaza Real Estate Development Limited, entered into a Sale and Purchase Agreement dated June 15, 2026 for the sale of a plot of land owned by it, classified as inventory properties and located on Al Reem Island, Abu Dhabi, United Arab Emirates, for a total consideration of AED 52,000,000 (equivalent to KD 4,369,269). Legal title to the land was transferred to the purchaser pursuant to the title transfer certificate issued by the Registration Authority of Abu Dhabi Global Market on July 14, 2026. The sale resulted in a gain of KD 985,563, which was included in gross profit in the interim condensed consolidated statement of profit or loss for the financial period ended September 30, 2026.

5. Investment in joint venture

On April 13, 2026, Kuwait Investment Company Holding Limited (a subsidiary) entered into a Share Sale Agreement to dispose of its entire interest in Mediterranean Investment Holding Company (MIH), comprising 24,001,000 shares representing a 50% ownership interest, which was classified as an investment in a joint venture and accounted for using the equity method, for a total sale consideration of EUR 74,000,000 (equivalent to KD 26,791,103). In accordance with the terms and conditions of the Share Sale Agreement, an advance payment equivalent to 10% of the total sale consideration was received, with the remaining balance receivable on completion of the procedures for the transfer of ownership of the shares, no later than June 30, 2026.

On June 26, 2026, the sale transaction was completed and all necessary procedures for the transfer of ownership of the shares subject to the agreement were finalized. The Group also received the full agreed sale consideration of EUR 74,000,000 (equivalent to KD 26,412,820).

The effect of disposal is a gain of KD 5,778,395 as follows:

	Amount
Total consideration received	**26,412,820**
Reclassification of foreign currencies translation reserve to the interim condensed consolidated statement of profit or loss	**6,156,678**
Net share in the joint venture's net assets attributable to the Parent Company	**(26,791,103)**
Gain on sale of investment in a Joint Venture	**5,778,395**

During the period ended September 30, 2026, the Group received cash dividends amounting to USD 3,454,237 (equivalent to KD 1,064,838) from its investment in joint venture. As the investment in the joint venture was reclassified as assets held for sale as at March 31, 2026, the cash dividends received during the period were recognized under other income in the interim condensed consolidated statement of profit or loss.

The major assets and liabilities related to Mediterranean Investment Holding Company (MIH) (a joint venture) at the date of disposal are as follows:

	Mediterranean Investment Holding Company
Assets:	
Cash and cash equivalents	**4,111,603**
Other current assets	**2,048,522**
Total current assets	**6,160,125**
Non-current assets	**100,431,418**
Total assets	**106,591,543**
Liabilities:	
Financial liabilities (excluding trade payable)	**856,963**
Other current liabilities (including trade payable)	**5,622,998**
Total current liabilities	**6,479,961**
Non-current liabilities	**27,734,940**
Total liabilities	**34,214,901**
Net assets	**72,376,642**
Share in the joint venture's net assets attributable to the Parent Company	**36,188,321**
Impairment loss	**(9,397,218)**
Net share in the joint venture's net assets attributable to the Parent Company	**26,791,103**

6. Investment in associates

The investment in associates consists of the following:

Name of associate	Country of incorporation	Principal activities	Percentage of ownership			Amount		
			September 30, 2026	December 31, 2025 (Audited)	September 30, 2025	**September 30, 2026**	December 31, 2025 (Audited)	September 30, 2025
Agility Public Warehousing Company K.S.C.P (a)	Kuwait	Manage and Renting of warehouses	**24.022%**	23.346%	23.346%	**52,737,247**	124,395,336	133,252,407
Agility Global PLC (b)	UAE	Aviation and logistics services	**19.680%**	19.680%	13.618%	**221,726,724**	288,425,382	227,190,162
						274,463,971	412,820,718	360,442,569

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

The movement in the carrying value of investment in associates during the period / year is as follows:

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Balance at the beginning of the period / year	**412,820,718**	436,069,192	436,069,192
Dividends In-Kind	**-**	(49,679,951)	(49,679,951)
Additions	**-**	67,687,828	67,472,618
Cash dividend received	**(5,732,813)**	(12,232,792)	(8,524,345)
Share of results from associates	**(40,501,395)**	(53,226,359)	(38,830,699)
Share of associates' other comprehensive (loss) income	**(86,593,837)**	136,637,121	(37,343,116)
Share of associates' other reserves	**(1,590,851)**	(3,612,066)	10,420,407
Group's share in other equity components of associates	**(4,703,229)**	(108,743,861)	(17,584,664)
Foreign currency translation adjustments	**765,378**	(78,394)	(1,556,873)
Balance at the end of the period / year	**274,463,971**	412,820,718	360,442,569

(a) The Group has an effective equity interest directly and through related parties of 24.022% (December 31, 2025: 23.346% - September 30, 2025: 23.346%) in Agility Public Warehousing Company K.S.C.P. (the "Associate"), a public shareholding company registered in Kuwait and listed on Boursa Kuwait and Dubai Financial Market. The associate is involved in storage of goods, management and renting of warehouses, transportation activities, distribution, handling and customs clearance for goods.

The market value of the Group's interest in Agility Public Warehousing Company K.S.C.P. (the "Associate"), based on the quoted bid price on Boursa Kuwait of the investment as at September 30, 2026, amounted to KD 85,805,890 (December 31, 2025: KD 83,422,393 – September 30, 2025: KD 88,785,261).

(b) On March 27, 2024, the Board of Directors of the Associate, based on the authorization given by the Ordinary General Assembly of the Associate held on May 30, 2023, and the Extraordinary General Assembly held on June 7, 2023, approved the distribution of interim dividends comprising cash dividends of 10 fils per share and In-kind dividends representing 49% of the shares currently held by the Associate in Agility Global PLC, a wholly owned subsidiary of the Associate. Each shareholder registered in the Associate's records at the end of the registration date will receive two shares in Agility Global PLC for every share it holds in the Associate.

On May 1, 2024, the distribution of the in-kind dividends was completed. On May 2, 2024, Agility Global PLC was listed on the Abu Dhabi Securities Exchange (ADX) after completing the required procedures in accordance with the rules and regulations of the Abu Dhabi Securities Exchange (ADX).

The market value of the Group's interest in Agility Global PLC (the "Associate"), based on the quoted bid price on ADX of the investment as at September 30, 2026, amounted to KD 243,746,724 (December 31, 2025: KD 197,032,747 – September 30, 2025: KD 130,180,675).

(c) The contingent liabilities and legal cases relating to the Associate are summarized as follows:

i) Renewal of land leases with Public Authority for Industry, Kuwait (PAI)
Investment properties related to the associate include certain properties that are leased from PAI as described below:

1- 805,712 m2 of land in Sulaibiya area leased based on Municipal Council No. (MC /61/6/80) -issued in 1980 – under contract No. 60.

2- 150,000 m2 of land in Sulaibiya area leased based on Municipal Council No. (MC / F 21/287/10/99)-issued in 1999 – under contract No. 211.

3- 1,625,000 m2 of land in Mina Abdullah area (plots 3,4 and 5) leased based on Municipal Council No. (MC/11/10/78) -issued in 1981 – under contract No. 208.

4- 200,000 m2 of land in Amghara Industrial area leased based on Municipal Council No. (L.B./83/10/86) - issued in 1986 – under contract No. 19/2002.

5- 941,420 m2 of land in Doha leased in accordance with letter issued by the Council of Ministers No. (11/930-1949) – Issued in 1978 – under contract No. 8/2003.

The above lands were leased for developing warehousing facilities (both dry and temperature controlled), craft areas, open yards for parking trucks etc.

On 21 November 2022, the Council of Ministers, Kuwait issued a resolution no (1259/12) during its meeting No. (48-3/2022) which decided the following:

a. No automatic renewal or extension of leases for warehousing and related support services after the expiration of their term. The lands will be leased through public bidding process for qualified companies in conformity with the principles of justice, equality and improvement of governance.

b. No leasing of any land for storage purposes except after referring and coordinating with the government performance follow-up agency.

Subsequently PAI made a public announcement through news media that was also published in the Official Gazette “Kuwait Al-Youm” under No. 1618 on 15 January 2023 on the termination of the contracts referred to above. The Associate issued a warning dated 15 January 2023 to the PAI’s Board of directors, members and to its Director General to respond and deny the content of these announcements. The Associate sent another warning to PAI on 25 January 2023 in response to the latter’s warning dated 18 January 2023. The Associate filed the following cases in the court of first instance against PAI asserting its position that the leases have been renewed and requested the court to prevent PAI and its affiliates from obstructing the Associate’s possession and use of the lands mentioned above.

The Associate and PAI initiated legal proceedings against each other as summarized below:

1- Contract No. 60 – Sulaibiya Warehouses (805,712 m²)
The Associate initiated Case No. 14/2023 (Commercial, Civil, Government/27) regarding Contract No. 60 of the Sulaibiya site. The Court of First Instance dismissed the case on 16 February 2023. The Associate filed appeals under Appeal Nos. 1480, 1482, and 1449 (Commercial, Civil, Government/10) for the year 2023, which were rejected on 15 November 2023, confirming the ruling of the first instance. The Associate challenged this decision before the Court of Cassation under Case Nos. 18/35/38 for the year 2024 (Cassation, Commercial/1), which remains pending.

In parallel, PAI filed a lawsuit against the Associate seeking a declaration of termination of Contract No. 60, eviction of the Associate from the site, and an order obliging it to pay usufruct fees. On October 30, 2025, the Court of First Instance ruled that Contract No. 60 had terminated and ordered the Associate to pay PAI usufruct compensation of KD 9,550 thousand for the period from April 24, 2022 to October 2025. The Associate appealed this judgment, which was dismissed by the Court of Appeal on 21 January 2026, upholding the judgment of the Court of First Instance. Both the Associate and PAI have filed further appeals before the Court of Cassation, which remain pending.

2- Contract No. 211 – Sulaibiya Expansion (150,000 m²)
The Associate initiated Case No. 9/2023 (Commercial, Civil, Government/28) regarding Contract No. 211 of the Sulaibiya site. On 18 June 2023, the Court of First Instance issued a judgment on grounds of lack of jurisdiction and referred the case to the Administrative Department under No. 4155/2023. The Associate appealed this judgment under Appeal No. 3340/2023 (Commercial, Civil, Government/9), which was rejected on 14 November 2023. The Associate subsequently filed a new case regarding Contract No. 211 under Case No. 622/2024 (Commercial, Civil, Government/23). On 11 June 2024, a preliminary decision was issued by the Plenary Court to transfer the case to the expert department, which issued its report on 30 October 2024. On 10 March 2026, the Court of First Instance issued a judgment rejecting the original case and confirming the termination of the lease contract in the counterclaim. The Court further ordered the Associate to pay the Public Authority for Industry the amount of KD 2,459 thousand in respect of the period from 15 July 2019 to 30 September 2024, and a monthly amount of KD 43 thousand in respect of the period from 1 October 2024 until the date of full eviction and handover. The Associate appealed against the said judgment by way of Appeals Nos. 1717 and 1733 of 2026 (Commercial, Civil and Government/5), which were scheduled for judgment on 9 September 2026. The Court dismissed both aforementioned appeals and upheld the judgment of the Court of First Instance.

The appellate judgment was subsequently challenged before the Court of Cassation by the Associate under Cassation Appeal No. 1914 of 2026 (Commercial Cassation/6), and by the Public Authority for Industry under Cassation Appeal No. 1961 of 2026 (Commercial Cassation/6). The hearing of the Associate's application for a stay of enforcement has been scheduled for 17 November 2026.

Separately, PAI filed a lawsuit against the Associate claiming an amount of KD 3,620 thousand in respect of financial entitlements under Contract No. 211 for the period from 1 April 2016 to 31 October 2022, in addition to any subsequent amounts due. This case remains pending before the Court of First Instance and no judgment has yet been issued.

3- Contract No. 208 – Mina Abdullah (1,625,000 m²)
The Associate initiated Case No. 19/2023 (Commercial, Civil, Government/9) regarding Contract No. 208 for the Mina Abdullah site. On 24 January 2024, the Court of First Instance delivered its judgment rejecting the original case and, in the counterclaim, ordered eviction in favour of PAI and directed the Associate to pay an amount of KD 162.5 thousand. The Associate appealed this decision under Appeal Nos. 1119 and 1146 for the year 2024; PAI appealed under Appeal No. 1049 for the year 2024 (Commercial, Civil, Government/2). On 16 February 2025, a ruling was issued rejecting all appeals and confirming the decision of the Court of First Instance. The Associate appealed this decision before the Court of Cassation under Appeal No. 1604 for the year 2025 (Cassation, Commercial/4); PAI filed a cross-appeal under Appeal No. 1487 for the year 2025 (Cassation, Commercial/4).

On 11 December 2025, the Court of Cassation rejected the Associate's application for a stay of enforcement. On 9 June 2026 the ruling ordering the Associate to vacate the site and hand it over to the PAI was enforced.

PAI separately filed a lawsuit against the Associate claiming an amount of KD 31,594 thousand and seeking eviction from the sites subject to Contracts Nos. 208 and 211. On February 5, 2024, the Court of First Instance ruled to dismiss this case. PAI has appealed for this dismissal. On December 3, 2025, the Court of Appeal overturned the judgment and ruled the case inadmissible on grounds of res judicata in respect of Case No. 19 of 2024 and its related appeals Nos. 1049, 1119, and 1146 of 2024. The Associate has challenged this ruling before the Court of Cassation, which remains pending.

4- Contract No. 19/2002 - Amghara Industrial Area - truck parking (200,000 m²)
The Associate initiated Case No. 12/2023 Commercial, Civil, Government / 20, regarding Contract No. 19/2002 for the truck parking site in Amghara Industrial Area, with an area of 200,000 m2 initiated by the Associate. The court of first instance dismissed the case on February 28, 2023. The Associate appealed the judgment with appeals Nos. 1613, 1649, 1654, 1663, commercial, civil, government / 5 for the year 2023. On 14 June 2023, a stay order was issued pending a decision on the judges' recusal request No. 13 of 2023 and on 16 July 2023 a decision was issued to reject the recusal request. On March 13, 2024, the court of appeal issued its ruling rejecting the appeal and confirmed the court of first instance ruling. The Associate has appealed this decision before the Court of Cassation under appeals No. 2043, 2148, 2211, 2215 for the year 2024 commercial cassation / 7. On 21 April 2026, the Court of Cassation ruled that the appeals were inadmissible in the deliberation chamber, thereby rendering the Court of First Instance judgment final and conclusive.

On the other hand, the PAI initiated legal proceedings against the Associate, seeking an order to vacate the site. The case remains pending before the Court of First Instance, and no judgment has yet been rendered.

5- Contract No. 8/2003 – Doha (941,420 m2)
The Associate initiated Case No. 29/2023 Commercial, Civil, Government / 7 regarding contract No. 8/2003, Doha site, with an area of 941,420 m2 initiated by the Associate. The court of first instance on 19 March 2023 ruled in favor of the Associate establishing the contractual relationship between Associate and PAI for a period twenty years starting from 1 January 2023 and ending on 31 December 2042 on an area of 941,420 m2 in the Doha area, subject of contract No. 8/2003 dated 12 August 2003 under the same terms and conditions.

PAI appealed the judgment in Appeal No. 1762/2023 Commercial, Civil, Government / 1. On 18 June 2023, the Court of Appeal ruled to annul the appealed ruling and dismiss the case. The Associate has appealed the ruling before the Court of Cassation under Case No. 3897,3949,4145/ 2023 Commercial Cassation /1. No judgment has been pronounced so far.

During the period, the Associate, after consulting the external counsel, recognised fair value loss amounting to KD 192,637 thousand representing the carrying value of all the above properties in view of the above developments. The Associate also recognised expected credit losses amounting to KD 43,388 thousand on the trade receivables relating to the above properties.

The Associate has not recognized any provision for potential claims relating to these properties in the interim condensed consolidated financial information, as such amounts cannot be reliably estimated as at the reporting date pending final judgements.

ii) Guarantee encashment

Other current assets of the Associate include an amount of KD 64,488 thousand (December 31, 2025: KD 64,488 thousand and September 30, 2025: KD 64,488 thousand), representing a claim receivable from the General Administration of Customs in the State of Kuwait.

A resolution was issued by the General Administration of Customs for Kuwait ("GAC") to cash a portion, amounting to KD 10,092 thousand of the bank guarantee submitted by Global Clearing House Systems K.S.C. (Closed) ("GCS"), a subsidiary of the Associate, in favour of GAC in relation to performance of a contract. Pursuant to this resolution, GAC called the above guarantee during the year ended December 31, 2007.

GCS appealed the above resolution at the Court of First Instance and the latter issued its judgment in favor of GCS and ordered GAC to pay an amount of KD 58,927 thousand as compensation against the non-performance of its obligations under the contract, and KD 9,138 thousand towards refunding of the guarantee encased earlier, together with an interest of 7% per annum on these amounts to be calculated from the date the judgment becomes final.

GCS appealed the judgment in Appeal number 1923 for the year 2014 administration /4, before the Court of Appeal requesting an increase in compensation. GAC also filed an appeal No. 1955 / 2014 Administrative 4 before the Court of Appeal. On September 13, 2015, the Court of Appeal pronounced its judgement affirming the decision of the Court of First Instance. Both GCS and GAC appealed against this ruling before the Kuwait Court of Cassation in appeals No. 1480, 1487 for the year 2015. On September 25, 2019, the Court of Cassation resolved to defer the appeal to the experts. On May 24, 2021, the experts committee issued a report affirming the Company's right for the claimed compensation.

On 11 May 2022, this matter was finally resolved with the issuance of this judgment in respect of Appeals by Cassation No. 1480 and 1487 for year 2015, Administrative/4 before the Court of Cassation, where the court ordered the GAC to refund an amount of KD 5,561 thousand to GCS out of the original principal of encashed guarantee. The said appeals by Cassation resolved, otherwise, to uphold the appealed judgment, which ordered the second defendant, "the Director General of the General Administration of Customs in his capacity," to pay to the plaintiff "GCS" an amount of KD 58,927 thousand, thus making the total receivable KD 64,488 thousand in addition to the legal interest of 7% annually on both amounts from the date this judgment becomes final.

Accordingly, the Associate and GCS recognized an amount of KD 64,488 thousand during the year ended December 31, 2024 representing the receivable as per the above rulings in favor of GCS (KD 58,927 thousand and KD 5,561 thousand as mentioned above).The amount of interest in respect of the aforementioned amounts is currently not quantifiable and hence not recorded in the interim condensed consolidated financial information of the Associate.

iii) Legal cases with GAC

Further, in respect of an ongoing dispute between GCS and GAC relating to project management mechanisms in the ports, both the parties have filed various claims and counter-claims against each other.

GAC initiated several legal proceedings against GCS in respect of this matter and claimed financial compensation from GCS. On September 25, 2018, a judgment was issued dismissing all cases. The judgment was appealed by both GCS and GAC. On September 26, 2022 the Court of Appeal ruled to set up the project development fund and required GCS to pay an amount of KD 12,443 thousand to GAC.

Both GCS and GAC appealed this judgment before the court of cassation. The GCS appeal also included a request for a stay of execution until the appeal is resolved. On April 12, 2023, the Court of Cassation ordered a stay on the enforcement until the case is determined on its merits. The case remains pending before the Court of Cassation. The Associate and GCS (after consulting the external counsel) have resolved not to record any provision in the interim condensed consolidated financial information pending final ruling by the court of cassation.

In addition to the above, there are other legal disputes between GCS and GAC. Both the parties have filed various claims and counter claims that are currently pending in the courts. The legal counsel of the Associate believes that these matters will not have a material adverse effect on the Associate's interim condensed consolidated financial information.

iv) Contract with the Public Authority of Industry ("PAI") for stage 5 land located in South Amghara area

The contract pertains to a lease agreement between the Associate and the Public Authority for Industry (PAI) for stage 5 land in the South Amghara area, covering a land area of 427,164 m². The lease expired on April 7, 2020, following which PAI initiated legal proceedings to reclaim the land. The Court of First Instance ruled in favor of PAI on April 20, 2021, confirming the requirement for the Associate to vacate the premises.

Both PAI and the Associate appealed the decision before the Court of Appeals. In its rulings the Court of Appeals upheld the order for the Associate to vacate the site and mandated the payment of KD 11,793 thousand as compensation for the land's use from April 8, 2020 to November 3, 2024. The Associate paid KD 2,654 thousand during the year 2024 and KD 9,139 thousand during year 2025 based on the above judgement.

The Associate has filed an appeal with the Court of Cassation, contesting the method used by the Court of Appeals to calculate the compensation. On November 3, 2024, the Associate implemented the evacuation phase of the fifth phase site at Amghara Scrap and handed it over to PAI pursuant to an execution report issued by the Ministry of Justice - Execution Department.

On April 23, 2026, the Court of Cassation issued a judgment annulling the ruling of the court of appeals which resulted in the above payment and ordered the PAI to refund an amount of KD 11,660 thousand to the Associate.

On June 4, 2026, the Public Authority for Industry deposited the amount in favour of the associate with the Enforcement Department at the Ministry of Justice, and the amount was subsequently collected by the Associate.

v) Contract with the Public Authority of Industry ("PAI") for stage 4 land located in South Amghara area

The contract pertains to a lease agreement between the Associate and the Public Authority for Industry (PAI) for stage 4 land in the South Amghara area, covering a land area of 939,323 m². The lease expired on 31 October 2018.

PAI initiated a legal case against the Associate claiming a compensation of KD 13,694 thousand representing rent for the period commencing November 2023. The Associate handed over the land to PAI on March 13, 2025 and the carrying value of the land in the Associate's books is Nil.

The court of first instance ruled in favour of the Associate dismissing the case. PAI filed an appeal and the court of appeal, on December 24, 2025 pronounced its judgement in favour of PAI and ordered the Associate to pay the above amount. The Associate challenged the Court of Appeal's judgment by way of cassation.

On March 10, 2026, the court of cassation ordered a stay of enforcement of the court of appeal judgement pending its final determination of the case on the merits. On April 30, 2026, a judgment was issued in the injunction filed by the Associate regarding the enforcement of the Court of Appeal judgment, ordering a temporary stay of the enforcement of the court of appeal judgment subject to injunction until a ruling is rendered on the cassation appeal.

PAI also filed two lawsuits for eviction and unlawful occupation, as well as for payment of occupation rent, concerning the fourth phase of the site at Amghara Scrap against the Associate. In addition, the Associate filed a case seeking a declaration of the continued contractual relationship in respect of the same site. The three cases were subsequently consolidated.

On January 16, 2022, the Court of First Instance ruled, firstly, that the contract had terminated as of October 31, 2018 and ordered the eviction of the Associate from the plot, with an area of 939,323 m², and its removal as an unlawful occupier. Secondly, it ordered the Associate to pay occupation rent arising from unlawful possession, at a rate of KD 80 per day of delay until delivery of the plot subject of the dispute.

On January 24, 2024, the Court of Appeal ruled that the Associate had abandoned its principal appeal and that the secondary appeal filed by the PAI had become void. PAI filed a cassation appeal against the Court of Appeal judgment, and no ruling has yet been issued. Furthermore, the PAI has filed another lawsuit against the Associate claiming an amount of KD 28,696 thousand in respect of Phases Four and Five. On 15 October 2026, the Court of First Instance rendered a judgment ruling that the action was inadmissible because it has already been adjudicated.

The Associate has not recognized any provision for potential claims relating to this matter in the interim condensed consolidated financial information, as such amounts cannot be reliably estimated as at the reporting date pending final judgements.

vi) The Public Authority for Industry contract relating to the Amghara Scrap Yard (Phases 1, 2, 3) under Contract No. (157):

1) PAI filed a lawsuit against the Associate claiming an amount of KD 9,937 thousand in respect of dues under the contract. PAI additionally claimed a penalty of KD 994 thousand for delay in payment of the usufruct fees relating to the said contract site. On February 12, 2024, the Court of First Instance ruled that the case was inadmissible for res judicata. On December 25, 2024, the Court of Appeal overturned the judgment of the Court of First Instance and ruled anew to dismiss the case. PAI challenged the Court of Appeal judgment before the Court of Cassation and no ruling has yet been issued by the Court of Cassation.

2) PAI also filed another lawsuit against the Associate claiming an amount of KD 6,900 thousand under allocation contract No. (157) at Amghara Scrap, representing the difference in allocation price of KD 3 per square meter for the period from 1 April 1 2016 to 30 June 2018. On 23 December 2025, the Court of First Instance issued a judgment ordering the Associate to pay the PAI KD 6,136 thousand. The Associate has appealed this judgment before the Court of Appeal. On 13 May 2026, the Court of Appeal issued its ruling and required the Associate to pay PAI an amount of KD 6,866 thousand. The Associate and the PAI both challenged the Court of Appeal's ruling by way of Cassation. On 21 July 2026 the Court of Cassation approved the stay of execution of the Court of Appeal's ruling awaiting the issuance of a conclusive ruling in cassation.

The Associate has not recognised any provision for the contingent claims relating to this property in the interim condensed consolidated financial information, as the amounts cannot be reliably estimated as at the reporting date pending the issuance of the final judgment.

vii) Korek Litigation

ICSID Claim

In February 2017, the Associate filed a request for arbitration against the Republic of Iraq pursuant to Article 36 of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States ("ICSID"), and Article 10 of the Agreement between the Government of the State of Kuwait and the Government of the Republic of Iraq for Reciprocal Promotion and Protection of Investments (the "2015 BIT").

The arbitral claim arises from a series of actions and inactions of the Iraqi government, including its regulatory agency Communications & Media Commission ("CMC") relating to an alleged decision by the CMC to annul the previous written consent granted in connection with the Associate's investment in Korek Telecom, as well as the CMC's order to transfer the shares acquired by the Associate back to the original Iraqi shareholders (which was implemented in March 2019). Without limitation, the Associate's claims relate to Iraq's failure to treat the Associate's investment of over USD 380 million fairly and equitably, its failure to accord the Associate with due process, as well as the indirect expropriation of that investment, each in breach of the 2015 BIT. On 24 February 2017, the Associate's request for arbitration was formally registered with ICSID.

On 22 February 2021, the tribunal issued its ruling, dismissing all of the Associate's claims and awarding costs of approximately USD 5 million in favor of the respondent. On 28 May 2021, the Associate filed an application to annul the award with ICSID which was formally registered on 4 June 2021. On 8 February 2024, the ad-hoc annulment committee issued its decision in which it partially annulled the original judgment on the basis that the tribunal failed to properly rule on the Associate's implementation claim, thereby committing an annullable error. Consequently, on 8 July 2024, the Associate refiled its ICSID claim against the Republic of Iraq. The claim has been registered and a new ICSID tribunal has been constituted. A hearing before the new ICSID tribunal is scheduled for November 2026.

Kuwait Claim Against the KRG

Separately, on May 31, 2021, Alcazar Capital Limited ("Alcazar"), a subsidiary of the Associate, filed a claim in Kuwait against the Kurdistan Regional Government (KRG), a political subdivision of the Government of Iraq, under the terms of a sovereign guarantee in respect of the Associate's investment. On January 24, 2022, the Court of First Instance dismissed Alcazar's claims on the basis that, among other things, Alcazar had failed to prove that it had extended the USD 250 million loan to Korek over which it was seeking damages under the sovereign guarantee. On February 16, 2022, Alcazar appealed the judgment to the Kuwait Court of Appeal. On April 19, 2022 the Court of Appeal issued a judgment in favor of Alcazar awarding damages of USD 490 million (the "Kuwait Judgement") against the Kurdistan Regional Government, together with interest of 7% p.a. up to the date of satisfaction of the amount. On May 2, 2023, the Kuwait Court of Cassation issued a stay of enforcement of the Kuwait Court of Appeal judgment, pending its adjudication of the matter. On January 30, 2024, the Kuwait Court of Cassation rejected the KRG's appeal and upheld the Kuwait Judgment. Consequently, Alcazar commenced enforcement proceedings of the Kuwait Judgment.

Pending final outcome of the enforcement proceeding and the uncertainties on the timing and determination of recovery, the Associate's management has not considered any adjustment for the awarded amounts in the interim condensed consolidated financial information.

Associated KRG Claim Against the Associate

In May 2024, the Erbil Court of First Instance issued a judgment in absentia in favor of KRG against Alcazar and Korek obligating Alcazar and Korek to desist from claiming the value of the KRG guarantee dated 11 September 2007. In January 2026, Alcazar filed an objection against the judgment to the Erbil Court of First Instance. The objection is currently pending before the Erbil Court of First Instance.

Separately in February 2025, the Kurdistan Regional Government filed a claim against the Associate and its former CEO, before the Erbil Court of First Instance in Kurdistan, Iraq. The claim seeks damages by alleging that the Associate and its former CEO were responsible for an alleged improper notification of the Kuwaiti claim filed by Alcazar which resulted in Alcazar obtaining the Kuwaiti judgment against the KRG and seeking to enforce the Kuwaiti judgment in foreign jurisdictions. The claim is currently pending before the Erbil Court of First Instance.

Shareholders Agreement Arbitration

On June 4, 2018, IT Ltd. commenced ICC arbitration proceedings against Korek International (Management) Ltd ("CS Ltd") and Mr. Sirwan Saber Mustafa. The dispute is in relation to various contractual breaches by the respondents under a shareholders' agreement relating to the Associates' investment in Korek Telecom.

On March 20, 2023, the Tribunal issued its award. The Tribunal agreed with IT Ltd. and International Holdings Limited that all of the respondents had engaged in a deliberate and intentional scheme "to bribe and corrupt officials" of Iraq's telecommunications regulator in order to procure a wrongful decision to expropriate the shareholding of IT Ltd. and IH in Korek Telecom. The Tribunal also agreed with IT Ltd. and International Holdings Limited that Sirwan Saber Mustafa Barzani had breached his fiduciary obligations by engaging in multiple acts of self-dealing and misconduct, causing harm to the claimants.

The Tribunal ordered that the respondents, jointly and severally, pay International Holdings Limited and IT Ltd. a combined amount of USD 1.65 billion in damages and legal costs, together with interest. Of this amount, an amount of USD 1.329 billion is due to International Holdings Limited, and an amount of USD 318.7 million is due to IT Ltd. IT ltd. is now in the process of enforcing the award in various jurisdictions around the world.

Pending final outcome of the enforcement proceedings and the uncertainties on the timing and determination of the amount of recovery, the Associate's management has not considered any adjustment for the awarded amounts in the interim condensed consolidated financial information.

IBL Subordination Agreement Arbitration: Arbitration proceedings against IBL Bank SAL, Korek Telecom and International Holdings Ltd.

IT Ltd Commenced the arbitration proceedings in relation to alleged fraud orchestrated by certain Korek Telecom stakeholders with the knowledge and cooperation of IBL Bank in connection with a subordination agreement relating to a USD 150 million loan extended by IBL Bank to Korek Telecom.

On September 24, 2021, the Tribunal issued its award granting in full IT Ltd.'s claim to render as null and void the subordination agreement relating to the USD 150 million loan extended by IBL Bank to Korek Telecom. The Tribunal agreed with IT Ltd. That all of the respondents, including IBL Bank, had engaged in a deliberate and intentional deception of IT Ltd. The counterclaims of the respondents were rejected in their entirety. In addition to the avoidance of the subordination agreement, IT Ltd. Was awarded legal costs in the amount of USD 3 million, which was collected on May 18, 2023.

As a result of this award, on November 12, 2021, IT Ltd. Filed a Request for Arbitration against Korek Telecom, in order to enforce its debt claim of more than USD 285 million (plus default interest) bringing the total claim to approximately USD 1 billion, against IH, as debtor, and Korek Telecom, as guarantor.

The Tribunal submitted its draft Final Award to the ICC Secretariat on 8 July 2024 for approval and declared the proceedings closed. The Final Award was issued on 9 September 2024 wherein Korek was ordered to pay IT Ltd. over USD 1.3 billion.

Pending final outcome of the enforcement proceedings and the uncertainties on the timing and determination of the amount of recovery, the Associate's management has not considered any adjustment in the interim condensed consolidated financial information.

Separately as well, IT Ltd. filed a Request for Arbitration before the Beirut Chamber of Commerce against IBL Bank on December 13, 2021, seeking damages for the fraud that was adjudicated in the previous arbitration.

On June 1, 2023, the Beirut Court of Appeal issued its decision on IBL's challenge to the award in the initial IBL Arbitration, ordering the set aside of that award (the "Annulment Decision"). IT Ltd. appealed the Annulment Decision before the Lebanese Court of Cassation. On October 18, 2023, the Lebanese Court of Cassation ordered a stay of the Annulment Decision. Accordingly, the Arbitral Tribunal issued a stay of the arbitration proceedings until the Lebanese Court of Cassation's decision on the challenge to the Beirut Court of Appeal's decision. On February 4, 2026, the Lebanese Court of Cassation quashed the findings of the Lebanese Court of Cassation, thereby voiding the Annulment Decision and upholding the award of the initial IBL Arbitration.

Following this decision, the Tribunal has lifted its stay. IT Ltd.'s Statement of Reply is required to be filed by May 22, 2026, and IBL's Statement of Rejoinder is required to be filed by November 18, 2026. The hearing on the merits will be held during the week of April 26, 2027.

Claims against Directors before the DIFC Courts

On March 12, 2018 IT Ltd. commenced proceedings in the courts of the Dubai International Financial Centre ("DIFC") against Raymond Zina Rahmeh. The claim alleges breach of the defendant's duties as directors of International Holdings and also alleges multiple instances of self-dealing. On December 16, 2021, a judgment against Mr. Rahmeh was issued in the amount of USD 71.3 million plus costs and interest.

Separately, on September 5, 2017, Modern Global Company for General Trading of Equipment, Supplier for Construction and Real Estate WLL (a wholly owned subsidiary of the Associate) commenced arbitration proceedings against Korek Telecom in relation to Korek's alleged failure to pay servicing fees due to Modern Global under a services agreement. On March 20, 2019, Modern Global was awarded its full claim, interest and legal costs, amounting to approximately USD 4.5 million.

In April 2022, an amount of approximately USD 1.1 million was obtained from certain Korek assets in the United Arab Emirates. Enforcement efforts remain ongoing. In October 2026, Modern Global entered into a settlement with Korek Telecom, pursuant to which Modern Global will receive approximately USD 1.452 million from Korek and will also apply USD 1.5 million in agreed set-offs, in full and final settlement of Modern Global's award against Korek.

In addition to the above cases, the Associate is involved in various incidental claims and legal proceedings. The legal counsel of the Associate believes that these matters will not have a material effect on the interim condensed consolidated financial information.

7. Partial disposal of a Subsidiary

a) During the financial period ended 30 September 2026, pursuant to the resolution of the Board of Directors of the Parent Company at its meeting held on July 15, 2026 and the Share Sale and Purchase Agreement dated September 16, 2026 in respect of the shares of one of the Group's subsidiaries, Carina Views Property Development Limited, incorporated in the United Arab Emirates, it was agreed to sell the subsidiary for a total transaction consideration of AED 400,000,000 (equivalent to KD 33,368,000). The agreement provides for the sale of an initial interest representing 50% of the company's share capital for AED 200,000,000, followed by the sale of a further interest representing 30% for AED 120,000,000 within four months from the date of completion of the first sale. The agreement also includes a put option in favor of the selling shareholders, allowing them to sell the remaining 20% interest for AED 80,000,000, in accordance with the terms and timelines set out in the agreement.

On September 16, 2026, the purchaser provided a certified bank cheque for AED 200,000,000 in consideration for the transfer of 50% of the company's shares (the "First Closing").

As a result of the completion of the First Closing and the transfer of 50% of the shares of Carina Views Property Development Limited (the former subsidiary), the Group lost control over the subsidiary effective September 16, 2026. Its assets and liabilities were derecognized from that date, and the retained interest was remeasured at fair value at the date control was lost, in accordance with the requirements of International Financial Reporting Standard (IFRS) 10.

The disposal of the subsidiary and the resulting loss of control gave rise to a gain of KD 8,882,446, which was recognised in the interim condensed consolidated statement of profit or loss for the period. This gain includes the reclassification of the accumulated foreign currency translation reserve to the interim condensed consolidated statement of profit or loss, as well as the recognition of the fair value of the retained investment interest (50%), amounting to KD 15,015,600.

b) In accordance with the contractual terms of the transaction and given the purchaser's commitment to acquire a further 30% of the company's shares (the "Second Closing") four months after the date of the First Closing, and as the requirements of International Financial Reporting Standard (IFRS) 5 are met, the Group classified this interest as assets held for sale amounting to KD 10,010,400.

c) With regard to the remaining 20% of the shares of the former subsidiary, which is subject to a put option granted to the existing shareholders for AED 80,000,000, the Group retains, under the Shareholders' Agreement signed between the parties, rights to participate in decisions about the company's relevant activities, including decisions on the budget, development plans and financing. This interest has therefore been classified as an investment in a joint venture in accordance with International Financial Reporting Standard (IFRS) 11, "Joint Arrangements", and measured at its fair value at the date control was lost, amounting to KD 5,005,200.

The major assets and liabilities of Carina Views Property Development Limited as at the date of disposal are as follows:

	Amount
Assets:	
Cash at banks	**32,544**
Other current assets	**250**
Total current assets	**32,794**
Non-current assets (represented by properties under development)	**22,570,828**
Total assets	**22,603,622**
Liabilities:	
Current liabilities	**583,144**
Total liabilities	**583,144**
Net assets	**22,020,478**

8. Share capital

Authorized capital consists of 2,500,000,000 shares of 100 fils each. The issued and fully paid up capital is determined by an amount of KD 218,436,335 consisting of 2,184,363,350 shares (December 31, 2025: KD 218,436,335 consisting of 2,184,363,350 shares and September 30, 2025: KD 218,436,335 consisting of 2,184,363,350 shares) of 100 fils each. All shares have been paid in cash.

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Authorized capital	**250,000,000**	250,000,000	250,000,000
Unpaid capital	**(31,563,665)**	(31,563,665)	(31,563,665)
Paid up capital	**218,436,335**	218,436,335	218,436,335

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9. Treasury Shares

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Number of shares	**153,977,113**	86,449,823	86,449,823
Percentage of issued shares (%)	**7.05**	3.96	3.96
Market value (KD)	**19,401,116**	6,224,387	6,829,536
Cost (KD)	**19,652,541**	10,712,250	10,712,250

The Parent Company's management has allotted an amount from retained earnings equal to the difference between the treasury shares reserve and the treasury shares balance as at the date of the interim condensed consolidated financial information. Such amount will not be available for distribution during treasury shares holding period.

10. Other reserves

	Treasury shares reserve	Fair value reserve	Foreign currency translation reserve	Share-based payment reserve (a)	Group's share of other comprehensive income from Joint Ventures	Total
Balance as at January 1, 2026	13,606,879	(2,713,034)	(26,900,422)	-	325,357	(15,681,220)
Total comprehensive loss for the period	-	(142,092)	(6,473,982)	-	-	(6,616,074)
Effect of selling financial assets at fair value through other comprehensive income	-	151,307	-	-	-	151,307
Sale of treasury shares	(455,893)	-	-	-	-	(455,893)
Share-based payment expense	-	-	-	367,822	-	367,822
Balance as at September 30, 2026	**13,150,986**	**(2,703,819)**	**(33,374,404)**	**367,822**	**325,357**	**(22,234,058)**
Balance as at January 1, 2025	13,606,879	(424,183)	(31,526,993)	-	522,090	(17,822,207)
Total comprehensive income for the period	-	58,573	2,091,958	-	-	2,150,531
Balance as at September 30, 2025	13,606,879	(365,610)	(29,435,035)	-	522,090	(15,671,676)

(a) Pursuant to the resolution of the Ordinary General Meeting of the shareholders of the Parent Company held on May 21, 2026, the implementation of an Employee Stock Option Plan (ESOP) for a period of 10 years was approved, provided that the total number of shares allocated under the plan shall not exceed 10% of the Parent Company's paid-up capital during the first five years from the commencement date of the plan. The Ordinary General Meeting also approved the utilization of treasury shares, not exceeding 87 million shares, for allocation to the plan participants during the first two years of the plan, and the issuance of new shares within the Parent Company's authorized share capital, not exceeding 131 million shares, for allocation to the plan participants from the third year through the fifth year of the plan. The Ordinary General Meeting also approved the waiver of pre-emptive rights in respect of the subscription to such new shares in favour of the plan participants (Note 17).

The Parent Company has implemented a share option scheme for certain employees of the Parent Company. The exercise price of the options is equal to the average quoted market price of the Parent Company's shares as at the date of grant of the share options. The vesting period of the share options is five years, and the share options expire if not exercised within five years from the date of grant. The options granted to an employee are forfeited if the employee leaves the employment of the Parent Company before the options vest.

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11. Basic and diluted earnings (loss) per share

The information necessary to calculate basic and diluted earnings (loss) per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Profit (loss) for the period attributable to shareholders of the Parent Company	**10,492,861**	20,106,940	**(31,678,542)**	(45,177,975)
Number of shares outstanding:				
Number of shares issued at beginning of the period, plus bonus shares	**2,184,363,350**	2,184,363,350	**2,184,363,350**	2,184,363,350
Less: Weighted average number of treasury shares	**(144,115,074)**	(84,522,624)	**(109,458,867)**	(84,522,624)
Less: Treasury shares related to reciprocal interests with an associate	**(107,079,716)**	(106,375,534)	**(107,079,716)**	(106,375,534)
Weighted average number of shares outstanding	**1,933,168,560**	1,993,465,192	**1,967,824,767**	1,993,465,192
Basic and diluted earnings (loss) per share (Fils)	**5.43**	10.09	**(16.10)**	(22.66)

As there are no dilutive instruments outstanding, basic and diluted earnings (loss) per share are identical.

12. Related party disclosures

The Group has entered into various transactions with related parties, i.e. shareholders, board of directors, key management personnel, associates, entities under common control and other related parties. Prices and terms of payment are to be approved by the Group's management. Significant related party transactions and balances are as follows:

Balances included in the interim condensed consolidated statement of financial position

	Major Shareholders	Associates and other related parties	**September 30, 2026**	December 31, 2025 (Audited)	September 30, 2025
Accounts receivable and other debit balances	670,454	-	**670,454**	683,554	681,396
Financial assets at fair value through profit or loss (FVPL) *	-	26,633,923	**26,633,923**	24,174,363	23,212,424
Financial assets at fair value through other comprehensive income (FVOCI)	3,900,704	-	**3,900,704**	3,821,256	6,829,535
Accounts payable and other credit balances	-	70,831	**70,831**	-	-

* Represents a loan given to Naples Topco Ltd ("Naples") a joint venture convertible at the option of the lender. This amount carries interest and can be converted to equity in the project on completion of construction subject to the project achieving certain operational targets.

Transactions included in the interim condensed consolidated statement of profit or loss

			Nine months ended September 30,	
	Major Shareholders	Associates	**2026**	2025
Rental income	-	14,400	**14,400**	14,400
General and administrative expenses	(452,225)	(48,600)	**(500,825)**	(551,672)

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Compensation to key management personnel

	Nine months ended September 30	
	2026	2025
Short term benefits	**1,365,845**	1,063,370
End of service benefits	**79,240**	34,183
	1,445,085	1,097,553

13. Legal Cases and significant events

The main legal claims of the Group are as follows:

1) The Ministry of Finance (MOF) issued a resolution to terminate contracts relating to certain properties constructed on land leased from the Government of the State of Kuwait upon the expiry of 25 years. The Parent Company appealed against this resolution. For one of the properties, the Court of Appeal has ruled in favour of MOF and awarded a compensation of KD 11,711,060. The Parent Company has paid compensation to MOF in instalments throughout 2017 to 2019, the last payment being paid on March 31, 2019. The Parent Company has further appealed to Court of Cassation, and the case is still under consideration.
For the other property, the Court of Appeal has also ruled in favour of MOF and awarded compensation of KD 6,597,527. The Parent Company appealed the judgment before the Court of Cassation. On May 13, 2026, the Court of Cassation issued a ruling accepting the appeal in form and rejecting it on the merits, while obliging the Parent Company to bear the legal expenses, attorney fees, and confiscation of the guarantee. The case is still under consideration as of the reporting date. The Parent Company had previously recorded full provisions for this lawsuit in prior years, and the amount remains payable.

2) The Parent Company filed a legal case against Kuwait Ports Authority (KPA) and a transport company claiming for unpaid rent arising from utilization of certain plots in KFTZ. The Court of Appeal confirmed the appeal obliging KPA and the transport company to jointly pay KD 6,956,416 to the Parent Company. The Parent Company received the amount as stated in the court ruling on October 11, 2011. KPA and the transport company appealed against the ruling in the Court of Cassation, which is still pending final ruling. As a precaution, the Parent Company has not reversed previously recorded provisions until a final ruling is issued.

Also, the Parent Company has filed a lawsuit against KPA to compensate it for utilizing other sites in KFTZ. The Court transferred the matter to the Experts department which is still under consideration to date.

3) During the year ended on December 31, 2023, and on February 16, 2023, an administrative decision was issued by the Ministry of Finance to vacate the parent company from the Waterfront Project - Phase III “Souq Sharq.” On March 2, 2023, the Ministry of Finance sent a warning to the parent company to hand over Souq Sharq. Before March 6, 2023, and in case of refusal, the Ministry will implement the administrative eviction decision by force, and on March 7, 2023, the Ministry evicted the parent company from Souq Sharq by force.

The Parent Company filed Case No. 13033 of 2022 Commercial Civil Total Government / 5 regarding proving the renewal of the contractual relationship between the company and the Ministry of Finance. On March 23, 2023, the Court of First Instance of the Commercial Civil Department Total Government / 5 ruled that it did not have jurisdiction to hear the case and referred it to a fully administrative department/10. And on May 4, 2023 the case was dismissed. The parent company appealed this ruling, and on September 10, 2023, it was ruled that the appeal was not permissible. On November 12, 2023, a case was registered in the Commercial Cassation Chamber No. 4875/2023, and no cassation hearing has been scheduled to date.

The Parent Company also filed Case No. 1158 of 2023 Administrative / 10, the subject of which is the cancellation of Administrative Decision No. 2 of 2023. On August 24, 2023, the lawsuit was rejected, On February 6, 2024, the Court of Appeal ruled to accept the appeal in form and in substance, rejecting it and upholding the appealed ruling.

The Parent Company has filed a cassation appeal against this ruling No. 1075/2024 Administrative /1 against this ruling, and no cassation hearing has been scheduled to date.

The Parent Company also filed Case No. 4917 of 2023, Commercial, Civil, Total Government/24, regarding proving the renewal of the contractual relationship between the company and the Ministry of Finance. On February 28, 2024, it was ruled lacking jurisdiction and referred to Administrative/11, and a session was set for May 15, 2024, which approved the rejection of the lawsuit, and the parent company appealed this ruling in the lawsuit in the Appeal Circuit No. 2930/2024, and a session was set for September 9, 2024 for the ruling, Which ruled to reject and uphold the appealed judgment.

The group has paid the rental value to the Ministry of Finance in advance until March 2024.

4) On April 27, 2023, the Ministry of Finance liquidated the bank guarantee issued by the National Bank of Kuwait in the amount of KD 2,320,595.880 (two million, three hundred and twenty thousand five hundred and ninety five Kuwaiti Dinar and eight hundred and eighty Fils) in favor of the Ministry of Finance, which was issued on request of the Company in guarantee of the Company carrying out the design, construction, management and maintenance of the "Waterfront Project – Phase Three" facility (Souq Sharq), and since the group had carried out complete maintenance work in accordance with the terms of the contract, and this continued until the Ministry of Finance has forcibly ceased the project on March 7, 2023, however, the Ministry of Finance liquidated the guarantee violating Article No. 16 of the aforementioned contract, the Company filed a lawsuit Judicial No. 3674 for the year 2023 Commercial, Civil, Total Government circuit Claiming from the Ministry of Finance to return the value of the guarantee and legal interest at the rate of 7% from the date of liquidation of the guarantee until full payment, A hearing was initially scheduled for May 21, 2024 for submission of the report, which was subsequently postponed to 10 September 2024. A further session was set for February 28, 2025 for review, and on March 18, 2025, the Court of First Instance ruled that it lacked jurisdiction over the case and referred it to the competent Administrative Circuit (Admin/9). A hearing was then scheduled for May 13, 2025, which was later postponed to November 17, 2026 for reporting. Accordingly, the Group has recognized the value of the guarantee as receivables under judicial collection based on the aforementioned lawsuit.

There are certain lawsuits raised against the group, the results of which cannot be assessed till being finally cleared by the court. In the opinion of the Group's internal legal counsel, there will be no material adverse impact on the Group interim condensed consolidated financial information, and hence, no provisions were recorded in the Group's records as of the reporting date.

14. Segment Information

For management purposes, the Group has the following strategic divisions as reportable operating segments, which are summarized as follows:

Reportable operating segment	Description
Real Estate and others	Consisting of development, trading, leasing and management of real estate properties and other activities
Investments	Consisting of investment in associates and financial assets

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There are no inter-segmental transactions. Information related to reportable segments for the nine-month period ended September 30, 2026, and September 30, 2025, is set out below:

	Real Estate and others		Investments		Total	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025	**September 30, 2026**	September 30, 2025
Revenues	**7,009,920**	2,964,134	**2,649,647**	(36,641,121)	**9,659,567**	(33,676,987)
Expenses	**(6,629,139)**	(4,363,953)	**(28,657,765)**	-	**(35,286,904)**	(4,363,953)
Segment profit (loss)	**380,781**	(1,399,819)	**(26,008,118)**	(36,641,121)	**(25,627,337)**	(38,040,940)
Net interest					**(5,339,168)**	(6,794,732)
Unallocated expenses					**(563,688)**	(329,740)
Loss for the period					**(31,530,193)**	(45,165,412)
Total assets	**26,487,343**	69,895,440	**336,512,989**	426,003,222	**363,000,332**	495,898,662
Total liabilities	**(11,864,065)**	(206,665,798)	**(160,352,170)**	-	**(172,216,235)**	(206,665,798)
Net assets	**14,623,278**	(136,770,358)	**176,160,819**	426,003,222	**190,784,097**	289,232,864

15. Fair value measurement

The Group measures financial assets such as financial assets at FVPL and financial assets at FVOCI and non–financial assets such as investment properties at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents the Group's financial and non-financial assets that are measured at fair value:

September 30, 2026	**Level 2**	**Level 3**	**Total**
Financial assets at FVPL	**-**	**26,633,923**	**26,633,923**
Financial assets at FVOCI	**-**	**3,900,704**	**3,900,704**
Investment properties	**7,725,386**	**-**	**7,725,386**
Total	**7,725,386**	**30,534,627**	**38,260,013**

December 31, 2025 (Audited)	Level 1	Level 2	Level 3	Total
Financial assets at FVPL	-	-	24,174,363	24,174,363
Financial assets at FVOCI	685,737	-	3,821,256	4,506,993
Investment properties	-	7,446,225	-	7,446,225
Total	685,737	7,446,225	27,995,619	36,127,581

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September 30, 2025	Level 1	Level 2	Level 3	Total
Financial assets at FVPL	-	-	23,212,424	23,212,424
Financial assets at FVOCI	802,073	-	6,027,462	6,829,535
Investment properties	-	7,475,441	-	7,475,441
Total	802,073	7,475,441	29,239,886	37,517,400

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

The movements in assets measured as Level 3 during the period / year are as follows:

	Financial assets at FVPL	Financial assets at FVOCI	Total
Balance as at January 1, 2026	**24,174,363**	**3,821,256**	**27,995,619**
Additions	**2,421,497**	**67,106**	**2,488,603**
Foreign currency translation adjustments	**38,063**	**12,342**	**50,405**
Balance as at September 30, 2026	**26,633,923**	**3,900,704**	**30,534,627**

	Financial assets at FVPL	Financial assets at FVOCI	Total
Balance as at January 1, 2025	21,250,920	-	21,250,920
Transferred from level 1	-	6,088,604	6,088,604
Additions	2,950,363	44,961	2,995,324
Losses recognized in the consolidated statement of other comprehensive income	-	(2,224,149)	(2,224,149)
Foreign currency translation adjustments	(26,920)	(88,160)	(115,080)
Balance as at December 31, 2025	24,174,363	3,821,256	27,995,619

	Financial assets at FVPL	Financial assets at FVOCI (a)	Total
Balance as at January 1, 2025	21,250,920	-	21,250,920
Transferred from level 1	-	6,088,604	6,088,604
Additions	1,961,504	-	1,961,504
Foreign currency translation adjustments	-	(61,142)	(61,142)
Balance as at September 30, 2025	23,212,424	6,027,462	29,239,886

(a) During the period ended September 30, 2025, the Group had changed the valuation technique for the financial assets at fair value through other comprehensive income, measured at fair value of KD 6,088,604 as at September 30, 2025, from the quoted (unadjusted) market prices in active markets approach under Level 1 to Level 3, as the investee company was delisted from Boursa Kuwait on May 18, 2025, based on the decision of the Board of Commissioners of the Capital Markets Authority (CMA) to permanently delist the company's shares from trading on the Boursa Kuwait.

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16. Capital commitments and contingencies

a) At September 30, 2026, the Group has capital commitments of KD 413,459 (December 31, 2025: KD 535,969 and September 30, 2025: KD 354,471).

b) For the operating lease commitments, the Parent Company has provided a bank guarantee of 0.5% (December 31, 2025: 0.5% and September 30, 2025: 0.5%) of the total value of the capital project concerned for the purpose of maintenance services to be provided by the final lessor.

c) At September 30, 2026, the Group has contingent liability amounting to KD 2,701,041 (December 31, 2025: KD 2,701,041 and September 30, 2025: KD 2,701,041) in respect of guarantees provided.

17. Annual General Meeting

- The Annual General Meeting of the Parent Company's shareholders held on May 21, 2026 approved the following:
  - The Group's consolidated financial statements for the fiscal year ended December 31, 2025.
  - Not to distribute cash dividends or bonus shares and not to pay Board of Directors' remuneration for the fiscal year ended December 31, 2025.
  - The implementation of an Employee Stock Option Plan (ESOP) for a period of 10 years, provided that the total number of shares allocated under the plan shall not exceed 10% of the Parent Company's paid-up capital during the first five years from the commencement date of the plan. The Annual General Meeting also approved the utilization of treasury shares, not exceeding 87 million shares, for allocation to the plan participants during the first two years of the plan, and the issuance of new shares within the Parent Company's authorized share capital, not exceeding 131 million shares, for allocation to the plan participants from the third year through the fifth year of the plan. The Annual General Meeting also approved the waiver of pre-emptive rights in respect of the subscription to such new shares in favour of the plan participants (Note 10 - a).

- The Annual General Meeting of the Parent Company's shareholders, held on May 25, 2025, approved the following:
  - Approval of the Group's consolidated financial statements for the financial year ended December 31, 2024.
  - Approval of no remuneration being paid to the members of the Board of Directors for the financial year ended December 31, 2024.
  - Approval of a bonus share distribution of 5 shares for every 100 shares held, amounting to a total of KD 10,401,730. This increase was registered in the Commercial Register under No. 19628 on June 1, 2025 (Note 1). Subsequently, on 6 July 2025, a total of 104,017,302 bonus shares were distributed, bringing the total number of issued shares to 2,184,363,348 shares. The Parent Company's shareholders' register was amended accordingly to reflect this increase.

18. Subsequent and significant events

- Subsequent to the reporting date, pursuant to a resolution of the Board of Directors of the Parent Company at its meeting held on October 14, 2026, approval was granted to enter into a share sale agreement for the disposal of the shares of KNREC International Holding Limited, a subsidiary registered in the Cayman Islands, for a total consideration of USD 13 million (equivalent to KD 3,998,800).

  On November 11, 2026, the shares of the subsidiary were sold for a consideration of USD 13,000,000 (equivalent to KD 3,998,800), resulting in a gain of KD 2,331,418, which the Group will recognize in its consolidated financial statements for the year ending December 31, 2026.

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- During the period ended September 30, 2026, a military conflict erupted in the Middle East, resulting in significant geopolitical uncertainty across the region.

  This event may adversely affect the Group's operating environment. Potential impacts include, but are not limited to, disruptions in supply chains, increased energy costs, pressure on profit margins, and heightened refinancing and credit risks.

  Given that these events are recent and continue to escalate rapidly, management is currently unable to determine with a reasonable degree of certainty the actual extent or duration of this conflict, or to reliably measure its ultimate financial impact on the accompanying interim condensed consolidated financial information of the Group. Management continues to monitor market conditions and assess the potential impact, if any, in line with future developments.