



**Commercial Real Estate Company K.P.S.C.
and its subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)
And the review report for the six months ended 30 June 2025**



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Commercial Real Estate Company K.S.C.P

State of Kuwait

Auditor's report on review of interim condensed consolidated financial information to the board of directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Real Estate Company K.S.C.P. (the "Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 June 2025, and the related interim condensed consolidated statements of income, interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

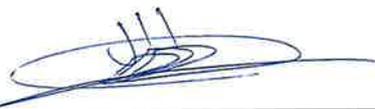
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

Report on Other Legal and Regulatory Requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, the executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the Six-months period ended 30 June 2025 that might have had a material effect on the business of the parent company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority "CMA" and organization of security activity and its executive regulations, as amended, during the six months period ended 30 June 2025 that might have a material effect on the business of the Parent Company or on its financial position.



Talal Y. Al-Muzaini

Licence No. 209 A

Deloitte & Touche –Al-Wazzan & Co.

Kuwait, 11 August 2025

Interim Condensed Consolidated Statement of Financial Position as at 30 June 2025
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Notes	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Assets				
Non-current assets				
Property, plant and equipment		20,291,777	20,694,306	20,963,865
Investment property	5	369,803,092	369,222,820	369,346,145
Intangible assets		2,585,219	2,336,822	-
Investments in associates	6	54,512,967	47,324,814	44,261,568
Investment at FVOCI	3	55,091,840	57,573,786	57,790,772
		<u>502,284,895</u>	<u>497,152,548</u>	<u>492,362,350</u>
Current assets				
Land and properties held for trading		16,517,790	16,496,272	16,754,459
Investments at fair value through profit or loss	3	52,242,153	50,246,587	43,662,706
Receivables and other debit balances	7	6,248,252	7,217,520	13,318,712
Cash and cash equivalents	8	4,492,037	3,075,952	7,313,048
		<u>79,500,232</u>	<u>77,036,331</u>	<u>81,048,925</u>
Total assets		<u>581,785,127</u>	<u>574,188,879</u>	<u>573,411,275</u>
Equity and liabilities				
Equity attributable to the shareholders of the Parent Company				
Share capital	9	189,592,074	184,069,975	184,069,975
Share premium		1,308,384	1,308,384	1,308,384
Treasury shares	10	(10,151,816)	(7,956,969)	(6,564,563)
Statutory reserve		44,315,967	44,315,967	42,685,964
Voluntary reserve		29,296,785	29,296,785	29,296,785
Other reserve	11	1,628,945	1,279,425	1,525,419
Retained earnings		42,398,479	44,027,196	39,467,003
Total equity attributable to the shareholders of the Parent Company		<u>298,388,818</u>	<u>296,340,763</u>	<u>291,788,967</u>
Non-controlling interests		25,023,110	24,051,891	23,868,977
Total equity		<u>323,411,928</u>	<u>320,392,654</u>	<u>315,657,944</u>
Liabilities				
Non-current liabilities				
Employees' end of service indemnity		1,363,694	1,256,231	1,311,204
Lease liabilities	5	2,199,010	2,253,331	2,171,331
Financing from financial institutions	12	206,821,619	199,692,648	207,828,934
		<u>210,384,323</u>	<u>203,202,210</u>	<u>211,311,469</u>
Current liabilities				
Payables and other credit balances	13	11,645,303	13,722,742	12,692,569
Financing from financial institutions	12	36,343,573	36,871,273	33,749,293
		<u>47,988,876</u>	<u>50,594,015</u>	<u>46,441,862</u>
Total liabilities		<u>258,373,199</u>	<u>253,796,225</u>	<u>257,753,331</u>
Total equity and liabilities		<u>581,785,127</u>	<u>574,188,879</u>	<u>573,411,275</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.



Abdul Fatah M.R. Marafie
Chairman

Adwan M. Al-Adwani
Vice Chairman

**Interim Condensed Consolidated Statement of Income for the six months period ended 30 June 2025
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2025	2024	2025	2024
Revenue					
Rental income from investment properties and revenue from hotel operations	14	8,046,851	7,842,752	15,822,510	15,498,164
Gain on sale of land and properties held for trading		-	-	-	92,994
Operating expenses		(2,482,723)	(2,350,592)	(4,865,525)	(4,527,835)
Net income from operating activities	14	5,564,128	5,492,160	10,956,985	11,063,323
Share of profit from associates	6	2,068,626	1,706,191	4,094,587	4,035,399
Net gain on investments	15	3,087,719	3,410,518	3,190,576	4,155,698
Other income		10,520	63,091	36,094	101,537
Total net income		10,730,993	10,671,960	18,278,242	19,355,957
Expenses and other charges					
Administrative expenses and other charges		986,362	882,476	1,853,814	1,835,002
(Reversal)/Provision for ECL		(168,397)	15,945	(68,275)	343,789
Finance cost		2,889,682	3,105,470	5,710,325	6,066,636
Total expenses		3,707,647	4,003,891	7,495,864	8,245,427
Net profit for the period before deductions		7,023,346	6,668,069	10,782,378	11,110,530
Kuwait Foundation for the Advancement of Sciences (KFAS)		(34,594)	(34,549)	(45,150)	(60,569)
National Labour Support Tax (NLST)		(147,464)	(151,652)	(240,768)	(268,551)
Zakat Expense		(40,560)	(43,383)	(54,949)	(75,910)
Net profit for the period		6,800,728	6,438,485	10,441,511	10,705,500
Distributed as follows:					
Shareholders of the Parent Company		5,969,668	5,840,787	9,062,343	9,572,181
Non-controlling interests		831,060	597,698	1,379,168	1,133,319
		6,800,728	6,438,485	10,441,511	10,705,500
Basic earnings per share for Parent Company's shareholders (fils)	16	3.29	3.18	4.98	5.20

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income for the six months period ended 30 June 2025 (Unaudited)

(All amounts are in Kuwaiti Dinar)

	For the three months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024
Net profit for the period	6,800,728	6,438,485	10,441,511	10,705,500
Other comprehensive income items:				
<i>Items that may not be reclassified subsequently to the consolidated statement of income:</i>				
Group's share in associates' reserves	2,380,459	1,230,757	2,789,006	979,045
Change in fair value reserve	(2,295,007)	(1,457,146)	(2,838,861)	(1,807,066)
	85,452	(226,389)	(49,855)	(828,021)
<i>Items that may be reclassified subsequently to the consolidated statement of income:</i>				
Foreign currency translation reserve	1,322	(59,584)	123,300	(90,806)
Total other comprehensive income /(loss)	86,774	(285,973)	73,445	(918,827)
Total comprehensive income for the period	6,887,502	6,152,512	10,514,956	9,786,673
Distributed as follows:				
Shareholders of the Parent Company	6,042,425	5,604,603	9,123,685	8,668,225
Non-controlling interests	845,077	547,909	1,391,271	1,118,448
Total comprehensive income for the period	6,887,502	6,152,512	10,514,956	9,786,673

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement of Changes in Equity for the six months period ended 30 June 2025
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Equity attributable to the shareholders of the Parent Company							Total equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (note 11)	Retained earnings			
Balance as at 1 January 2024	184,069,975	1,308,384	(8,539,935)	42,685,964	29,296,785	1,259,759	41,276,940	291,357,872	24,159,803	315,517,675
Net profit for the period	-	-	-	-	-	-	9,572,181	9,572,181	1,133,319	10,705,500
Total comprehensive income for the period	-	-	-	-	-	(903,956)	-	(903,956)	(14,871)	(918,827)
Acquisition of additional shares in a subsidiary	-	-	-	-	-	-	458,069	458,069	(778,171)	(320,102)
Cash dividends	-	-	-	-	-	-	(7,028,332)	(7,028,332)	-	(7,028,332)
In-kind distributions of treasury shares	-	-	3,791,038	-	-	1,020,817	(4,811,855)	-	-	-
Cash dividends to non controlling subsidiaries	-	-	(2,594,916)	-	-	-	-	(2,594,916)	(631,103)	(631,103)
Purchase of treasury shares	-	-	779,250	-	-	148,799	-	928,049	-	(2,594,916)
Sale of treasury shares	-	-	-	-	-	-	-	928,049	-	928,049
Balance as at 30 June 2024	184,069,975	1,308,384	(6,564,563)	42,685,964	29,296,785	1,525,419	39,467,003	291,788,967	23,868,977	315,657,944
Balance as at 1 January 2025	184,069,975	1,308,384	(7,956,969)	44,315,967	29,296,785	1,279,425	44,027,196	296,340,763	24,051,891	320,392,654
Net profit for the period	-	-	-	-	-	-	9,062,343	9,062,343	1,379,168	10,441,511
Total comprehensive income for the period	-	-	-	-	-	61,342	-	61,342	12,103	73,445
Acquisition of additional shares in a subsidiary	-	-	-	-	-	(69,865)	12,027	12,027	(19,952)	(7,925)
Sale of OCI Investment	-	-	-	-	-	-	128,717	128,717	1,499	60,351
Cash dividends (note 20)	-	-	-	-	-	-	(5,309,705)	(5,309,705)	-	(5,309,705)
Bonus share distributions (note 20)	5,522,099	-	-	-	-	-	(5,522,099)	-	-	-
Cash dividends to non controlling subsidiaries	-	-	(3,103,392)	-	-	-	-	(3,103,392)	(401,599)	(401,599)
Purchase of treasury shares	-	-	908,545	-	-	-	-	908,545	-	(3,103,392)
Sale of treasury shares	-	-	-	-	-	358,043	-	358,043	-	1,266,588
Balance as at 30 June 2025	189,592,074	1,308,384	(10,151,816)	44,315,967	29,296,785	1,628,945	42,398,479	298,388,818	25,023,110	323,411,928

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement of Cash Flows for the six months period ended 30 June 2025
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	For the six months period ended 30 June	
		2025	2024
Operating activities:			
Net profit for the period		10,441,511	10,705,500
Adjustments for:			
Gain on sale of lands and properties held for trading		-	(92,994)
Depreciation of property, plant and equipment		570,390	599,294
Depreciation of intangible asset		2,974	-
Net (Reversal) / provisions and impairment		(68,275)	343,789
Share of profit from investment in associate companies	6	(4,094,587)	(4,035,399)
Net gain on investments	15	(3,190,576)	(4,155,698)
Finance cost		5,710,325	6,066,636
Employees' end of service indemnity provided during the period		124,081	83,279
Operating cash flows before changes in working capital		9,495,843	9,514,407
Payment for purchase of land and properties held for trading		(21,518)	(32,616)
Proceeds from sale of land and properties held for trading		-	280,671
Receivables and other debit balances		(178,278)	(934,979)
Payables and other credit balances		(1,748,265)	(515,684)
Employees' end of service indemnity paid during the period		(16,618)	(39,186)
Net cash generated from operating activities		7,531,164	8,272,613
Investing activities:			
Payment for purchase of investment property		(580,272)	(254,056)
Payment for purchase of property, plant and equipment		(167,861)	(166,678)
Payments for intangible assets		(251,371)	-
Advance payment for purchase investments		-	(2,781,314)
Payment to acquire shares in associate	6	(1,992,463)	(1,237,669)
Proceeds on capital reduction in associate		-	1,248,388
Payment to acquire investment at fair value through profit or loss		(449,132)	(390,341)
Proceed on sale of investment at fair value through profit of loss		-	1,279,950
Payment to acquire investment at FVTOCI		(445,087)	(2,156,259)
Proceeds on sale of Investment at FVTOCI		148,523	291,025
Payment to acquire shares in subsidiary		(7,925)	(320,102)
Dividend and accrued dividends received from associates		3,183,471	2,144,908
Dividend received from investment		1,488,742	1,284,353
Net cash generated from / (used in) investing activities		926,625	(1,057,795)
FINANCING ACTIVITIES:			
Proceeds from financing from third party		13,850,000	20,170,000
Repayment of financing from third party		(7,248,729)	(7,858,341)
Finance charges paid		(6,098,346)	(6,110,440)
Dividend paid		(5,248,434)	(6,997,269)
Payment for buy-back of treasury shares		(3,103,392)	(2,594,916)
Proceeds from sale of treasury shares		1,266,588	928,049
Lease liability payment		(57,792)	(57,786)
Dividend paid for non-controlling interest in subsidiaries		(401,599)	(631,103)
Net cash used in financing activities		(7,041,704)	(3,151,806)
Net change in cash and cash equivalents		1,416,085	4,063,012
Cash and cash equivalents at the beginning of the period		3,075,952	3,250,036
Cash and cash equivalents at the end of the period	8	4,492,037	7,313,048

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information for the six months period ended 30 June 2025 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. Overview of the Group

The Commercial Real Estate Company (K.P.S.C) ("the Parent Company") was incorporated as a Kuwaiti Shareholding Closed Company under Articles of Association No. 104/ M/ Vol.1 on 4 February 1968 under Commercial register No. 11329 and re-enrolled on 21 December 1981 under No. 239 in accordance with provision of the Commercial Companies Law. The main objectives of the Company are performing various real estate, agricultural, industrial and commercial activities, carrying out contracting, road and building constructions including sale, purchase and lease of land and real estate properties and construction of buildings, utilize the company's surpluses through investment portfolios managed by specialized companies and financial institutions. The Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Company achieve its objectives inside Kuwait and abroad. The Company may also purchase such entities or affiliate them, or as stated in Company's Articles of Association, article No. 5 and Memorandum of Association, article No. 4. The Company's management shall carry out all its objectives for which it has been established in accordance with the Noble Islamic Sharia principles.

The head office of the Company is located at Jaber Al-Mubarak Street, Commercial Real Estate Company's Building, Sharq, P.O. Box. 4119 Safat, 13042 Kuwait.

The Company has been registered in the Kuwait Stock Exchange on 21 December 2004.

The consolidated interim financial information includes the interim financial information of the Parent Company, its subsidiaries and branches (together referred to as "the Group").

Name of subsidiaries	Activity	Country of incorporation	Shareholding percent		
			30 June 2025	31 December 2024 (audited)	30 June 2024
Al Mutajara Real Estate Company K.S.C.C.	Real estate	Kuwait	%79.18	%79.15	79.08%
Commercial Real Estate Development Company	Real estate	Bahrain	%100	%100	100%
Commercial Real Estate Development Company	Real estate	Morocco	%100	%100	100%
Al-Salmiya Group K.S.C. (Closed)	Real estate	Kuwait	%81.90	%81.90	81.90%

This interim condensed consolidated financial information was authorized for issue by Parent Company's Board of Director's on 11 August 2025.

2. Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting. The interim condensed consolidated financial information does not contain all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards and should be read in conjunction with the annual financial statements for the year ended 31 December 2024. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025.

2.1 Significant accounting policies

The accounting policies used in preparing the interim condensed consolidated financial information are similar to those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024 except for the effect of application of new and revised International Financial Reporting Standards (IFRS) as follows:

Notes to the Interim Condensed Consolidated Financial Information for the six months period ended 30 June 2025 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2.1.1 Application of new and revised International Financial Reporting Standards (IFRS)

The adoption of the amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2025 did not result in any material impact on the accounting policies, financial position or performance of the Group.

3. Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: valuation techniques that are not based on observable market data.

The table below gives information about how the fair values of the significant financial assets and liabilities are determined:

	Fair value as at			Fair value hierarchy	Valuation methods and key inputs	Significant unobservable inputs	Relation of unobservable inputs to fair value
	30 June 2025	31 December 2024	30 June 2024				
Financial assets	(unaudited)	(audited)	(unaudited)				
Investments at fair value - other comprehensive income							
Quoted shares	896,461	869,117	785,633	Level 1	Last bid price	N/A	N/A
Private equity	50,986,977	53,410,695	53,636,425	Level 3	Income approach/market multiple model	Cash flow, discount rate, growth rate	Higher estimated cash flows and lower discount rates, results in higher fair value
Investment funds	3,208,402	3,293,974	3,368,714	Level 3	Income approach/market multiple model & Adjusted NAV	Adjusted NAV	Higher estimated cash flows and lower discount rates, results in higher fair value
Investments at fair value – statement of income:							
Quoted shares	1,219,375	1,081,006	1,029,058	Level 1	Last bid price	N/A	N/A
Private equity	51,022,778	49,165,581	42,633,648	Level 3	Income approach/market multiple model & Adjusted NAV	Cash flow, discount rate, growth rate & Adjusted NAV	Higher estimated cash flows and lower discount rates, results in higher fair value

The fair value of financial assets and financial liabilities in level 3 have been determined using the common valuation techniques such as a discount cash flow, growth rate and adjusted fair value.

4. Estimates

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

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended.

**Notes to the Interim Condensed Consolidated Financial Information for the six months period ended 30 June 2025
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. Investment properties

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Balance at beginning of the period/ year	369,222,820	369,092,089	369,092,089
Additions	580,272	646,011	254,056
Change in fair value	-	(515,280)	-
Balance at end of the period/year	<u>369,803,092</u>	<u>369,222,820</u>	<u>369,346,145</u>

Investments properties include the fair value of right of use Boulevard project that expires in year 2036. The balance of lease liabilities distributed as follows:

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
<u>Lease liabilities (non-current)</u>			
Amounts due after 12 months	<u>2,055,250</u>	<u>2,113,688</u>	<u>2,171,331</u>
<u>Lease liabilities (current)</u>			
Amounts due within 12 months	<u>118,602</u>	<u>116,754</u>	<u>114,448</u>
	<u>2,173,852</u>	<u>2,230,442</u>	<u>2,285,779</u>

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between one to five years. All operating lease contracts contain extension options for the lessees' event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

6. Investments in associates

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Balance as at the beginning of the period/year	47,324,814	41,493,557	41,493,557
Additions during the period/ year *	1,992,463	2,288,658	1,237,669
Capital reduction in an associate	-	(1,248,388)	(1,248,388)
Group's share in a associates results	4,094,587	5,235,054	4,035,399
Group's share in a associates reserves	2,789,006	2,777,075	979,045
Translation of foreign currencies	124,356	(168,727)	(90,806)
Cash dividends	<u>(1,812,259)</u>	<u>(3,052,415)</u>	<u>(2,144,908)</u>
	<u>54,512,967</u>	<u>47,324,814</u>	<u>44,261,568</u>

* Additions during the year represent the purchase of additional shares in the current associates' companies.

7. Receivables and other debit balances

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Trade receivables	4,283,885	4,477,996	5,161,334
Due from related parties (Note 17)	11,776	-	41
Provision for impairment	<u>(3,897,667)</u>	<u>(3,965,942)</u>	<u>(4,299,610)</u>
	<u>397,994</u>	<u>512,054</u>	<u>861,765</u>
Advance payments for acquisition of investments	2,811,657	2,811,657	7,229,039
Prepaid expenses	200,764	164,078	223,089
Refundable deposits	340,000	340,000	339,925
Advances to contractors and suppliers	516,276	408,074	381,032
Other debit balances	<u>2,071,568</u>	<u>3,071,664</u>	<u>4,522,136</u>
	5,940,265	6,795,473	12,695,221
Provisions	<u>(90,007)</u>	<u>(90,007)</u>	<u>(238,274)</u>
	<u>5,850,258</u>	<u>6,705,466</u>	<u>12,456,947</u>
	<u>6,248,252</u>	<u>7,217,520</u>	<u>13,318,712</u>

**Notes to the Interim Condensed Consolidated Financial Information for the six months period ended 30 June 2025
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Movement in credit losses is as follows:

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Balance at beginning of the period/year	3,965,942	3,955,821	3,955,821
Provision created during the period/year	24,996	243,051	343,789
Reversal of provision for expected credit losses	(93,271)	(232,930)	-
Balance at end of the period/year	<u>3,897,667</u>	<u>3,965,942</u>	<u>4,299,610</u>

8. Cash and cash equivalents

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Cash in hand	6,050	5,871	5,761
Cash at banks and financial institutions	3,785,987	2,111,581	4,516,387
Deposits with financial institution	700,000	958,500	2,790,900
Cash and cash equivalent for cash flow	<u>4,492,037</u>	<u>3,075,952</u>	<u>7,313,048</u>

9. Share capital

The authorized, issued and paid up share capital of the Parent Company as at 30 June 2025 is KD 189,592,074 consisting of 1,895,920,743 shares (31 December 2024 is KD 184,069,975 consisting of 1,840,699,751 shares and 30 June 2024 is KD 184,069,975 consisting of 1,840,699,751 shares) of 100 fils each. The capital increase was formally registered in the commercial register on 4 May 2025, based on Extra Ordinary General Assembly meeting dated 21 April 2025.

10. Treasury shares

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Number of shares (No's)	84,395,418	72,311,294	64,059,003
Percentage of issued shares (%)	4.45	3.93	3.48
Market value	15,866,339	10,485,138	7,751,139
Cost	10,151,816	7,956,969	6,564,563

The Parent Company is committed to retain reserves, share premium and retained earnings equivalent to the treasury shares throughout the period, in which they are held by the Company, pursuant to the relevant instructions of the regulatory authorities.

11. Other reserves

	Change of fair value reserve	Group's share in associates' reserves	Translation of foreign currencies	Property, plant and equipment revaluation surplus	Treasury shares reserve/sale of treasury shares	Total
As at 1 January 2024	(6,526,101)	1,446,157	558,471	5,547,886	233,346	1,259,759
Total comprehensive income for the period	(1,762,153)	949,003	(90,806)	-	-	(903,956)
Sale of treasury shares	-	-	-	-	148,799	148,799
In kind Dividend	-	-	-	-	1,020,817	1,020,817
As at 30 June 2024	<u>(8,288,254)</u>	<u>2,395,160</u>	<u>467,665</u>	<u>5,547,886</u>	<u>1,402,962</u>	<u>1,525,419</u>
As at 1 January 2025	(10,368,234)	4,145,153	389,743	5,547,886	1,564,877	1,279,425
Total comprehensive income for the period	(2,759,853)	2,697,895	123,300	-	-	61,342
Sale of OCI investment	(69,865)	-	-	-	-	(69,865)
Sale of treasury shares	-	-	-	-	358,043	358,043
As at 30 June 2025	<u>(13,197,952)</u>	<u>6,843,048</u>	<u>513,043</u>	<u>5,547,886</u>	<u>1,922,920</u>	<u>1,628,945</u>

**Notes to the Interim Condensed Consolidated Financial Information for the six months period ended 30 June 2025
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

12. Financing from financial institutions

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Finance from financial institutions – current portion	36,343,573	36,871,273	33,749,293
Finance from financial institutions – non current portion	206,821,619	199,692,648	207,828,934
	<u>243,165,192</u>	<u>236,563,921</u>	<u>241,578,227</u>
Cost rate (%)	4.90-5.00	4.90-5.25	5.25-5.40

Finance granted by financial institutions is secured against mortgage of the following assets:

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Property, plant and equipment	18,923,552	19,241,485	19,459,750
Investment property	283,411,846	282,917,980	287,852,210

13. Payables and other credit balances

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Trade payables	794,333	1,036,672	748,843
Due to related parties (Note 17)	65,844	78,849	142,356
Retentions	1,147,805	1,084,878	1,013,926
Accrued expense	2,400,748	3,150,537	2,783,356
Revenues received in advance	643,262	866,311	725,948
Security deposits from tenants	3,196,019	3,250,829	3,267,441
Kuwait Foundation for the Advancement of Science (KFAS)	45,150	75,699	60,569
National Labour Support Tax (NLST)	240,768	402,832	268,551
Zakat payable	54,949	99,392	75,910
Dividends payable to shareholders	320,717	259,446	338,091
Other credit balances*	2,735,708	3,417,297	3,267,578
	<u>11,645,303</u>	<u>13,722,742</u>	<u>12,692,569</u>

* Other credit balances include lease liabilities of KD 118,602 due within 12 months.

14. Net income from operating activities

	For the three months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024
Revenues				
Real estate rental income	6,820,385	6,741,714	13,517,199	13,412,459
Hotel and hospitality revenues	1,226,466	1,101,038	2,305,311	2,085,705
	<u>8,046,851</u>	<u>7,842,752</u>	<u>15,822,510</u>	<u>15,498,164</u>
Gain on sale of land and properties held for trading	-	-	-	92,994
	<u>8,046,851</u>	<u>7,842,752</u>	<u>15,822,510</u>	<u>15,591,158</u>
Expenses				
Operating expenses	(1,553,903)	(1,485,674)	(3,074,731)	(2,829,470)
Hotel and hospitality expenses	(928,820)	(864,918)	(1,790,794)	(1,698,365)
	<u>(2,482,723)</u>	<u>(2,350,592)</u>	<u>(4,865,525)</u>	<u>(4,527,835)</u>
Net income from operating activities	<u>5,564,128</u>	<u>5,492,160</u>	<u>10,956,985</u>	<u>11,063,323</u>

Hotel and hospitality expenses include an amount of KD 419,145 (KD 413,492 - 2024) which represents the current period depreciation of the hotel building and related equipment.

Notes to the Interim Condensed Consolidated Financial Information for the six months period ended 30 June 2025
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

15. Net gain on investments

	For the three months ended		For the Six months ended	
	30 June		30 June	
	2025	2024	2025	2024
Investment at FVOCI				
Cash dividends	664,704	709,004	1,220,106	1,345,989
	<u>664,704</u>	<u>709,004</u>	<u>1,220,106</u>	<u>1,345,989</u>
Investments at fair value through profit or loss				
Change in fair value	2,371,127	2,389,706	1,546,434	2,497,901
Cash dividends	51,888	-	424,036	-
Gain on sale	-	311,808	-	311,808
	<u>2,423,015</u>	<u>2,701,514</u>	<u>1,970,470</u>	<u>2,809,709</u>
	<u>3,087,719</u>	<u>3,410,518</u>	<u>3,190,576</u>	<u>4,155,698</u>

16. Basic earnings per share for the Parent Company's shareholders

Basic earnings per share is computed by dividing the net profit attributable to the Parent Company's shareholders for the period by the weighted average number of outstanding ordinary shares less weighted average number of outstanding treasury shares during the period as follows:

	For the three months ended		For the Six months ended	
	30 June		30 June	
	2025	2024	2025	2024
Net profit for the period (KD)	5,969,668	5,840,787	9,062,343	9,572,181
Weighted average number of outstanding shares (share)	<u>1,815,890,941</u>	<u>1,838,523,489</u>	<u>1,818,669,081</u>	<u>1,840,918,193</u>
Basic earnings per share (fils)	<u>3.29</u>	<u>3.18</u>	<u>4.98</u>	<u>5.20</u>

Earnings per share for the current period and comparative period has been amended taking into consideration the effect of bonus share approved by the Assembly General Meeting which will be distributed in the subsequent period (note 20).

17. Related parties transactions

Related parties comprise of the Group's shareholders who are members in the board of directors, key management personnel, and associates in which the company has representatives in their board. The transactions with related parties are subject to approval of the shareholders at the general assembly. Significant related party transactions and balances resulting therefrom were as follows:

Transaction	For the three months ended		For the Six months ended	
	30 June		30 June	
	2025	2024	2025	2024
Key management benefits	183,728	190,466	383,229	392,331
Operating revenue	15,134	19,936	30,115	39,743
Operating & capital expenditures and other charges	218,629	200,938	479,909	412,186
Profit from Sales of Investments at fair value profit & loss	-	311,808	-	311,808
Payment for Acquisition of Associates	-	-	118,088	-
Payment for acquisition of Investments	-	-	434,455	-

**Notes to the Interim Condensed Consolidated Financial Information for the six months period ended 30 June 2025
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Balances			
Receivables and other debit balances	11,776	-	41
Payables and other credit balances	65,844	78,849	142,356
Balances due to key management	544,223	579,469	687,278

Balances due from / to related parties are interest free and due upon request. All transactions with related parties are subject to approval by the shareholders' general assembly.

18. Capital commitments and contingent liabilities

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Capital commitments			
Uncalled capital – investments	923,004	929,380	1,569,354
Contract for projects and investment properties under development	2,962,199	3,401,733	2,856,155
	<u>3,885,203</u>	<u>4,331,113</u>	<u>4,425,509</u>
Contingent liabilities			
Letters of guarantee	4,931,067	4,291,067	4,241,152

Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2025 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

19. Segment information

The Group is organized into two major business segments: real estate including the hotel and investment. Both segments results are reported to senior executive management. Further, Group's operating results, assets and liabilities are reported according to geographical areas in which it operates. Revenue, profits, assets and liabilities are measured according to the same accounting bases followed in preparation of interim condensed consolidated financial statements. Business segment analysis is in line with internal reports submitted to management is as follows:

Segment distribution:

	For the six months period ended 30 June 2025			For the six months period ended 30 June 2024			
	Real estate sector	Hotel	Investment sector	Real estate sector	Hotel	Investment sector	Total
Revenue	13,517,199	2,305,311	7,285,163	13,505,453	2,085,705	8,191,097	23,782,255
Direct cost	(3,610,046)	(1,790,794)	(192,218)	(3,706,618)	(1,698,365)	(340,101)	(5,745,084)
Gross profit / (loss)	9,907,153	514,517	7,092,945	9,798,835	387,340	7,850,996	18,037,171
Unallocated costs			(7,073,104)				(7,331,671)
Net profit for the period			10,441,511				10,705,500

Geographic distribution:

A- Assets and liabilities

	Assets		Liabilities	
	30 June 2025	31 December 2024 (audited)	30 June 2025	31 December 2024 (audited)
State of Kuwait	428,705,545	421,372,706	255,969,075	250,809,917
Gulf countries	75,001,869	72,065,478	2,404,124	2,986,308
Other	78,077,713	80,750,695	-	-
	581,785,127	574,188,879	258,373,199	253,796,225
		573,411,275		257,753,331

B- Statement of income

	For the six months period ended 30 June 2025			For the six months period ended 30 June 2024			
	State of Kuwait	Gulf countries	Other	State of Kuwait	Gulf countries	Other	Total
Total income	15,510,719	1,799,474	968,049	13,556,607	3,494,489	2,304,861	19,355,957
Total expenses	(7,538,561)	(297,572)	(598)	(8,303,366)	(347,091)	-	(8,650,457)
Net profit	7,972,158	1,501,902	967,451	5,253,241	3,147,398	2,304,861	10,705,500

**Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2025
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

20. Dividends

On 21 April 2025 the annual general assembly meeting was held and approved distribution of cash dividends to the shareholders on record as of the due date at 3% after deduction of treasury shares and 3% bonus share (3 shares per every 100 shares), for the year ended 31 December 2024 distributed in 2025. (cash dividends 4% after deduction of treasury shares and 2% bonus share from treasury shares (2 treasury shares per every 100 shares)) for 31 December 2023 distributed in 2024.