**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 2026**

**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 2026

Deloitte.

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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 2026, 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 2026 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 2026 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, 10 August 2026

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

AL-TIJARIA التجارية

**Interim Condensed Consolidated Statement of Financial Position as at 30 June 2026 (Unaudited)**

*(All amounts are in Kuwaiti Dinar)*

| | Notes | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | | 20,283,991 | 20,471,981 | 20,291,777 |
| Investment property | 5 | 381,754,509 | 374,700,296 | 369,803,092 |
| Intangible assets | | 2,501,357 | 2,567,474 | 2,585,219 |
| Investments in associates | 6 | 65,788,977 | 59,898,792 | 54,512,967 |
| Investment at FVOCI | 3 | 51,897,865 | 52,874,686 | 55,091,840 |
| | | 522,226,699 | 510,513,229 | 502,284,895 |
| **Current assets** | | | | |
| Land and properties held for trading | | 15,439,806 | 15,590,620 | 16,517,790 |
| Investments at fair value through profit or loss | 3 | 52,389,329 | 53,386,766 | 52,242,153 |
| Receivables and other debit balances | 7 | 3,355,639 | 7,170,880 | 6,248,252 |
| Cash and cash equivalents | 8 | 2,386,763 | 2,869,045 | 4,492,037 |
| | | 73,571,537 | 79,017,311 | 79,500,232 |
| **Total assets** | | 595,798,236 | 589,530,540 | 581,785,127 |
| | | | | |
| **Equity and liabilities** | | | | |
| **Equity attributable to the shareholders of the Parent Company** | | | | |
| Share capital | 9 | 195,279,836 | 189,592,074 | 189,592,074 |
| Share premium | | 1,308,384 | 1,308,384 | 1,308,384 |
| Treasury shares | 10 | (13,006,429) | (13,662,003) | (10,151,816) |
| Statutory reserve | | 46,018,377 | 46,018,377 | 44,315,967 |
| Voluntary reserve | | 29,296,785 | 29,296,785 | 29,296,785 |
| Other reserve | 11 | 892,063 | (612,506) | 1,628,945 |
| Retained earnings | | 44,034,498 | 47,802,247 | 42,398,479 |
| **Total equity attributable to the shareholders of the Parent Company** | | 303,823,514 | 299,743,358 | 298,388,818 |
| Non-controlling interests | | 25,499,322 | 24,686,653 | 25,023,110 |
| **Total equity** | | 329,322,836 | 324,430,011 | 323,411,928 |
| | | | | |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Employees' end of service indemnity | | 1,489,160 | 1,433,888 | 1,363,694 |
| Lease liabilities | 5 | 8,508,666 | 2,119,238 | 2,199,010 |
| Financing from financial institutions | 12 | 208,176,883 | 234,236,301 | 206,821,619 |
| | | 218,174,709 | 237,789,427 | 210,384,323 |
| **Current liabilities** | | | | |
| Payables and other credit balances | 13 | 11,149,976 | 12,731,935 | 11,645,303 |
| Financing from financial institutions | 12 | 37,150,715 | 14,579,167 | 36,343,573 |
| | | 48,300,691 | 27,311,102 | 47,988,876 |
| **Total liabilities** | | 266,475,400 | 265,100,529 | 258,373,199 |
| **Total equity and liabilities** | | 595,798,236 | 589,530,540 | 581,785,127 |

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 2026 (Unaudited)**

*(All amounts are in Kuwaiti Dinar)*

| | Notes | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| **Revenue** | | | | | |
| Rental income from investment properties and hotel's revenue | 14 | 7,387,623 | 8,046,851 | 15,141,161 | 15,822,510 |
| Sale of land and properties held for trading | | - | - | 212,988 | - |
| Operating expenses | | (2,317,283) | (2,482,723) | (4,819,939) | (4,865,525) |
| Net income from operating activities | 14 | 5,070,340 | 5,564,128 | 10,534,210 | 10,956,985 |
| Share of profit from investment in associate companies | 6 | 2,279,599 | 2,068,626 | 5,078,172 | 4,094,587 |
| Net gain on investments | 15 | 2,666,630 | 3,087,719 | 2,936,233 | 3,190,576 |
| Other income | | 19,612 | 10,520 | 41,260 | 36,094 |
| Total net income | | 10,036,181 | 10,730,993 | 18,589,875 | 18,278,242 |
| **Expenses and other charges** | | | | | |
| Administrative expenses and other charges | | 1,084,904 | 986,362 | 2,043,867 | 1,853,814 |
| (Reversal)/Provision for ECL | | (104,520) | (168,397) | (140,875) | (68,275) |
| Finance cost | | 2,684,606 | 2,889,682 | 5,405,218 | 5,710,325 |
| Total expenses | | 3,664,990 | 3,707,647 | 7,308,210 | 7,495,864 |
| **Net profit for the period before deductions** | | 6,371,191 | 7,023,346 | 11,281,665 | 10,782,378 |
| Kuwait Foundation for the Advancement of Sciences (KFAS) | | (27,586) | (34,594) | (34,752) | (45,150) |
| National Labour Support Tax (NLST) | | (125,953) | (147,464) | (180,491) | (240,768) |
| Zakat Expense | | (19,816) | (40,560) | (19,816) | (54,949) |
| **Net profit for the period** | | 6,197,836 | 6,800,728 | 11,046,606 | 10,441,511 |
| **Distributed as follows:** | | | | | |
| Shareholders of the Parent Company | | 5,290,530 | 5,969,668 | 9,375,380 | 9,062,343 |
| Non-controlling interests | | 907,306 | 831,060 | 1,671,226 | 1,379,168 |
| | | 6,197,836 | 6,800,728 | 11,046,606 | 10,441,511 |
| **Basic earnings per share for Parent Company's shareholders (fils)** | 16 | 2.82 | 3.19 | 4.99 | 4.83 |

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 2026 (Unaudited)**

*(All amounts are in Kuwaiti Dinar)*

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| Net profit for the period | 6,197,836 | 6,800,728 | 11,046,606 | 10,441,511 |
| **Other comprehensive (loss) / income items:** | | | | |
| *Items that may not be reclassified subsequently to the consolidated statement of income:* | | | | |
| Group's share in associates' reserves | (779,909) | 2,380,459 | (973,274) | 2,789,006 |
| Change in fair value reserve | (1,674,192) | (2,295,007) | (2,384,457) | (2,838,861) |
| | (2,454,101) | 85,452 | (3,357,731) | (49,855) |
| *Items that may be reclassified subsequently to the consolidated statement of income:* | | | | |
| Foreign currency translation reserve | 46,264 | 1,322 | 109,942 | 123,300 |
| **Total other comprehensive loss items** | (2,407,837) | 86,774 | (3,247,789) | 73,445 |
| **Total comprehensive income for the period** | 3,789,999 | 6,887,502 | 7,798,817 | 10,514,956 |
| **Distributed as follows:** | | | | |
| Shareholders of the Parent Company | 3,178,757 | 6,042,425 | 6,527,745 | 9,123,685 |
| Non-controlling interests | 611,242 | 845,077 | 1,271,072 | 1,391,271 |
| **Total comprehensive income for the period** | 3,789,999 | 6,887,502 | 7,798,817 | 10,514,956 |

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

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

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

*(All amounts are in Kuwaiti Dinar)*

| | Equity attributable to the shareholders of the Parent Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Treasury shares | Statutory reserve | Voluntary reserve | Other reserves (note 11) | Retained earnings | Total equity attributable to shareholders of the Parent Company | Non-controlling interests | Total equity |
| **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 | - | - | - | - | - | - | 12,027 | 12,027 | (19,952) | (7,925) |
| Sale of OCI Investment | - | - | - | - | - | (69,865) | 128,717 | 58,852 | 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 | - | - | - | - | - | - | - | - | (401,599) | (401,599) |
| Purchase of treasury shares | - | - | (3,103,392) | - | - | - | - | (3,103,392) | - | (3,103,392) |
| Sale of treasury shares | - | - | 908,545 | - | - | 358,043 | - | 1,266,588 | - | 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 |
| | | | | | | | | | | |
| **Balance as at 1 January 2026** | 189,592,074 | 1,308,384 | (13,662,003) | 46,018,377 | 29,296,785 | (612,506) | 47,802,247 | 299,743,358 | 24,686,653 | 324,430,011 |
| Net profit for the period | - | - | - | - | - | - | 9,375,380 | 9,375,380 | 1,671,226 | 11,046,606 |
| Total comprehensive income for the period | - | - | - | - | - | (2,847,635) | - | (2,847,635) | (400,154) | (3,247,789) |
| Acquisition of additional shares in a subsidiary | - | - | - | - | - | - | - | - | (26) | (26) |
| Sale of OCI Investment | - | - | - | - | - | 1,889,622 | (1,899,091) | (9,469) | - | (9,469) |
| Amendment to Associate financials | - | - | - | - | - | - | (69,778) | (69,778) | - | (69,778) |
| Cash dividends (note 20) | - | - | - | - | - | - | (5,486,498) | (5,486,498) | - | (5,486,498) |
| Bonus share distributions (note 20) | 5,687,762 | - | - | - | - | - | (5,687,762) | - | - | - |
| Cash dividends to non controlling subsidiaries | - | - | - | - | - | - | - | - | (458,377) | (458,377) |
| Purchase of treasury shares | - | - | (6,118,509) | - | - | - | - | (6,118,509) | - | (6,118,509) |
| Sale of treasury shares | - | - | 6,774,083 | - | - | 2,462,582 | - | 9,236,665 | - | 9,236,665 |
| **Balance as at 30 June 2026** | 195,279,836 | 1,308,384 | (13,006,429) | 46,018,377 | 29,296,785 | 892,063 | 44,034,498 | 303,823,514 | 25,499,322 | 329,322,836 |

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 2026 (Unaudited)**

*(All amounts are in Kuwaiti Dinar)*

| | Notes | For the six months period ended 30 June | |
|---|---|---|---|
| | | 2026 | 2025 |
| **Operating activities:** | | | |
| Net profit for the period | | 11,046,606 | 10,441,511 |
| Adjustments for: | | | |
| Gain on sale of lands and properties held for trading | | (2,381) | - |
| Depreciation & amortaization of intangible asset | | 66,118 | 2,974 |
| Depreciation of property, plant and equipment | | 608,226 | 570,390 |
| Share of profit from investment in associate companies | 6 | (5,078,172) | (4,094,587) |
| Net gain on investments | 15 | (2,936,233) | (3,190,576) |
| Finance cost | | 5,405,218 | 5,710,325 |
| Reversal of provision for ECL | | (140,875) | (68,275) |
| Employees' end of service indemnity provided during the period | | 106,160 | 124,081 |
| Operating cash flows before changes in working capital | | 9,074,667 | 9,495,843 |
| Payment for purchase of land and properties held for trading | | (59,793) | (21,518) |
| Proceeds from sale of land and properties held for trading | | 212,988 | - |
| Receivables and other debit balances | | (145,007) | (178,278) |
| Payables and other credit balances | | (1,440,532) | (1,748,265) |
| Employees' end of service indemnity paid during the period | | (50,888) | (16,618) |
| Net cash generated from operating activities | | 7,591,435 | 7,531,164 |
| | | | |
| **Investing activities:** | | | |
| Payment for purchase of property, plant and equipment | | (420,352) | (167,861) |
| Payments for intangible assets | | - | (251,371) |
| Net of Payment for purchase of investment property | | (214,508) | (580,272) |
| Payment to acquire shares in associate | | (369,356) | (1,992,463) |
| Dividend and accrued dividends received from associates | 6 | 1,497,893 | 3,183,471 |
| Payment to acquire investment at FVTOCI | | (708,640) | (445,087) |
| Proceeds on sale of Investment at FVTOCI | | 205,485 | 148,523 |
| Payment to acquire investment at fair value through profit or loss | | (1,844,228) | (449,132) |
| Proceeds on sale of investment at fair value through profit of loss | | 4,249,818 | - |
| Payment to acquire shares in subsidiary | | (26) | (7,925) |
| Dividend received from investment | | 1,393,091 | 1,488,742 |
| Net cash genrated from investing activities | | 3,789,177 | 926,625 |
| | | | |
| **FINANCING ACTIVITIES:** | | | |
| Proceeds from financing from third party | | 12,070,000 | 13,850,000 |
| Repayment of financing from third party | | (15,557,870) | (7,248,729) |
| Finance charges paid | | (5,500,576) | (6,098,346) |
| Dividend paid | | (5,464,019) | (5,248,434) |
| Payment for buy-back of treasury shares | | (6,118,509) | (3,103,392) |
| Lease liability payment | | (70,208) | (57,792) |
| Proceeds from sale of treasury shares | | 9,236,665 | 1,266,588 |
| Dividend paid for non-controlling interest in subsidiaries | | (458,377) | (401,599) |
| Net cash used in financing activities | | (11,862,894) | (7,041,704) |
| Net change in cash and cash equivalents | | (482,282) | 1,416,085 |
| Cash and cash equivalents at the beginning of the period | | 2,869,045 | 3,075,952 |
| Cash and cash equivalents at the end of the period | 8 | 2,386,763 | 4,492,037 |

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

## 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 Parent Company is located at Jaber Al-Mubarak Street, Commercial Real Estate Company's Building, Sharq, P.O. Box. 4119 Safat, 13042 Kuwait.

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

Based on the extraordinary general assembly meeting held on 20 April 2026, it was agreed to amend Articles of Association, article No. 5 and Memorandum of Association, article No. 4., by adding new activities, the formal registration of this occurred on 6 May 2026.

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

| | | | Shareholding percent | | |
|---|---|---|---|---|---|
| **Name of subsidiaries** | **Activity** | **Country of incorporation** | **30 June 2026** | **31 December 2025 (audited)** | **30 June 2025** |
| Al Mutajara Real Estate Company K.S.C.C. | Real estate | Kuwait | 79.21% | 79.21% | 79.18% |
| 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% |
| Tijaria GD | Real Estate | Cayman Islands | 95.12% | 95.12% | - |
| First Kuwait Front Company for Land and Real Estate Management and Development | Real Estate | State of Kuwait | 100% | 100% | - |
| Symphony Company for Receiving and Delivering Cloth form Laundry | Laundry work | State of Kuwait | 100% | 100% | - |

This interim condensed consolidated financial information was authorized for issue by Parent Company's Board of Directors on 10 August 2026.

## 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 2025. 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 2026 are not necessarily indicative of the results that may be expected for the year ending 31 December 2026.

### 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 2025 except for the effect of application of new and revised International Financial Reporting Standards (IFRS) as follows:

### 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 2026 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 |
|---|---|---|---|---|---|---|---|
| **Financial assets** | **30 June 2026 (unaudited)** | **31 December 2025 (audited)** | **30 June 2025 (unaudited)** | | | | |
| **Investments at fair value - OCI** | | | | | | | |
| Quoted shares | 1,167,941 | 1,157,249 | 896,461 | Level 1 | Last bid price | N/A | N/A |
| Private equity | 44,119,118 | 44,759,804 | 50,986,977 | 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 | 6,610,806 | 6,957,633 | 3,208,402 | 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 – through profit or loss:** | | | | | | | |
| Quoted shares | 1,798,794 | 1,677,721 | 1,219,375 | Level 1 | Last bid price | N/A | N/A |
| Private equity | 50,590,535 | 51,709,045 | 51,022,778 | 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 discounted 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 Group'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.

## 5. Investment properties

| | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| Balance at beginning of the period/ year | 374,700,296 | 369,222,820 | 369,222,820 |
| Additions * | 6,639,004 | 2,465,682 | 580,272 |
| Transfer from receivables and other debit balances | 415,209 | - | - |
| Transfer from land and properties held for trading | - | 302,024 | - |
| Change in fair value | - | 2,709,770 | - |
| Balance at end of the period/year | 381,754,509 | 374,700,296 | 369,803,092 |

* The Group entered into a lease arrangement with the Public Authority For Housing Welfare, State of Kuwait for a plot of land to be used for the construction of commercial complex and gym- "Qirawan project"- and to generate lease income from leasing the project units. During the period, the Group took over the project site, and upon expiry of the lease term in April 2048, the land together with all buildings and improvements constructed thereon will be transferred to the State. The Group recognised a right-of-use asset of KWD 6,424,496 at the lease commencement date, being the date on which the leased land was made available for use by the Group.

Investment properties include the fair value of right of use Boulevard project that expires in year 2036, in addition to the right of use for Qirawan project that expires in year 2048. The balance of lease liabilities distributed as follows:

| | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| Lease liabilities (non-current) | | | |
| Amounts due after 12 months | 8,391,227 | 1,993,624 | 2,055,250 |
| Lease liabilities (current) | | | |
| Amounts due within 12 months | 124,006 | 122,346 | 118,602 |
| | 8,515,233 | 2,115,970 | 2,173,852 |

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 in the 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 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| Balance as at the beginning of the period/year | 59,898,792 | 47,324,814 | 47,324,814 |
| Additions during the period/ year * | 2,959,776 | 5,998,643 | 1,992,463 |
| Group's share in associates results | 5,078,172 | 5,447,098 | 4,094,587 |
| Group's share in associates reserves | (973,274) | 4,034,937 | 2,789,006 |
| Acquisition of subsidiary by an associate | - | 169,491 | - |
| Translation of foreign currencies | 110,164 | 11,861 | 124,356 |
| Capital reduction in an associate | - | (156,832) | - |
| Amendment of associate's financials | (69,778) | - | - |
| Cash dividends | (1,214,875) | (2,931,220) | (1,812,259) |
| | 65,788,977 | 59,898,792 | 54,512,967 |

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

## 7. Receivables and other debit balances

| | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| Trade receivables | 4,180,146 | 4,231,419 | 4,283,885 |
| Due from related parties (Note 17) | 220,967 | 12,220 | 11,776 |
| Provision for impairment | (3,659,716) | (3,800,591) | (3,897,667) |
| | 741,397 | 443,048 | 397,994 |
| Advance payments for acquisition of investments | 202,000 | 3,706,370 | 2,811,657 |
| Prepaid expenses | 207,707 | 180,012 | 200,764 |
| Refundable deposits | 340,000 | 340,000 | 340,000 |
| Advances to contractors and suppliers | 557,422 | 433,644 | 516,276 |
| Other debit balances | 1,397,120 | 2,157,813 | 2,071,568 |
| | 2,704,249 | 6,817,839 | 5,940,265 |
| Provisions | (90,007) | (90,007) | (90,007) |
| | 2,614,242 | 6,727,832 | 5,850,258 |
| | 3,355,639 | 7,170,880 | 6,248,252 |

Movement in credit losses is as follows:

| | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| Balance at beginning of the period/year | 3,800,591 | 3,965,942 | 3,965,942 |
| Provision created during the period/year | 20,567 | 22,595 | 24,996 |
| Reversal of provision for expected credit losses | (161,442) | (187,946) | (93,271) |
| Balance at end of the period/year | 3,659,716 | 3,800,591 | 3,897,667 |

## 8. Cash and cash equivalents

| | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| Cash in hand | 5,461 | 5,435 | 6,050 |
| Cash at banks and financial institutions | 1,506,302 | 2,263,610 | 3,785,987 |
| Deposits with financial institution | 875,000 | 600,000 | 700,000 |
| Cash and cash equivalent for cash flow | 2,386,763 | 2,869,045 | 4,492,037 |

## 9. Share capital

The authorized, issued and paid up share capital of the Parent Company as at 30 June 2026 is KD 195,279,836 consisting of 1,952,798,365 shares (31 December 2025 is KD 189,592,074 consisting of 1,895,920,743 shares and 30 June 2025 is KD 189,592,074 consisting of 1,895,920,743 shares) of 100 fils each.

The capital increase was formally registered in the commercial register on 5 May 2026, based on Extra Ordinary General Assembly meeting dated 20 April 2026.

## 10. Treasury shares

| | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| Number of shares (No's) | 90,793,578 | 101,396,183 | 84,395,418 |
| Percentage of issued shares (%) | 4.65 | 5.35 | 4.45 |
| Market value | 17,341,573 | 20,583,425 | 15,866,339 |
| Cost | 13,006,429 | 13,662,003 | 10,151,816 |

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 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** | (13,197,952) | 6,843,048 | 513,043 | 5,547,886 | 1,922,920 | 1,628,945 |
| **As at 1 January 2026** | (16,625,335) | 8,045,495 | 400,611 | 5,547,886 | 2,018,837 | (612,506) |
| Total comprehensive income for the period | (2,033,597) | (923,189) | 109,151 | - | - | (2,847,635) |
| Sale of OCI investment | 1,889,622 | - | - | - | - | 1,889,622 |
| Sale of treasury shares | - | - | - | - | 2,462,582 | 2,462,582 |
| **As at 30 June 2026** | (16,769,310) | 7,122,306 | 509,762 | 5,547,886 | 4,481,419 | 892,063 |

## 12. Financing from financial institutions

| | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| Finance from financial institutions – current portion | 37,150,715 | 14,579,167 | 36,343,573 |
| Finance from financial institutions – non current portion | 208,176,883 | 234,236,301 | 206,821,619 |
| | 245,327,598 | 248,815,468 | 243,165,192 |
| Cost rate (%) | 4.4-4.5 | 4.90-5.25 | 4.90-5.00 |

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

| | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| Property, plant and equipment | 19,065,268 | 19,094,543 | 18,923,552 |
| Investment property | 291,830,555 | 296,676,060 | 283,411,846 |

## 13. Payables and other credit balances

| | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| Trade payables | 974,907 | 1,000,627 | 794,333 |
| Due to related parties (Note 17) | 110,193 | 109,156 | 65,844 |
| Retentions | 370,021 | 370,021 | 1,147,805 |
| Accrued expense | 2,664,450 | 3,140,796 | 2,400,748 |
| Revenues received in advance | 745,554 | 726,730 | 643,262 |
| Security deposits from tenants | 3,193,062 | 3,202,170 | 3,196,019 |
| Kuwait Foundation for the Advancement of Science (KFAS) | 34,752 | 71,244 | 45,150 |
| National Labour Support Tax (NLST) | 180,491 | 426,436 | 240,768 |
| Zakat payable | 19,816 | 83,934 | 54,949 |
| Dividends payable to shareholders | 257,991 | 235,512 | 320,717 |
| Other credit balances* | 2,598,739 | 3,365,309 | 2,735,708 |
| | 11,149,976 | 12,731,935 | 11,645,303 |

* Other credit balances include lease liabilities of KD 136,422 due within 12 months.

## 14. Net income from operating activities

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Revenues | | | | |
| Real estate rental income | 6,842,771 | 6,820,385 | 13,769,552 | 13,517,199 |
| Hotel and hospitality revenues | 544,852 | 1,226,466 | 1,371,609 | 2,305,311 |
| | 7,387,623 | 8,046,851 | 15,141,161 | 15,822,510 |
| Sale of land and properties held for trading | - | - | 212,988 | - |
| | 7,387,623 | 8,046,851 | 15,354,149 | 15,822,510 |
| Expenses | | | | |
| Operating expenses | (1,692,902) | (1,553,903) | (3,181,899) | (3,074,731) |
| Hotel and hospitality expenses | (624,381) | (928,820) | (1,427,433) | (1,790,794) |
| Cost of sold land | - | - | (210,607) | - |
| | (2,317,283) | (2,482,723) | (4,819,939) | (4,865,525) |
| Net income from operating activities | 5,070,340 | 5,564,128 | 10,534,210 | 10,956,985 |

Hotel and hospitality expenses include an amount of KD 446,655 (KD 419,145 - 2025) which represents the current period depreciation of the hotel building and related equipment.

## 15. Net gain on investments

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Investment at FVOCI** | | | | |
| Cash dividends | 604,438 | 664,704 | 1,324,204 | 1,220,106 |
| | 604,438 | 664,704 | 1,324,204 | 1,220,106 |
| **Investments at fair value through profit or loss** | | | | |
| Change in fair value | 1,706,701 | 2,371,127 | 1,256,538 | 1,546,434 |
| Cash dividends | 7,897 | 51,888 | 7,897 | 424,036 |
| Gain on sale | 347,594 | - | 347,594 | - |
| | 2,062,192 | 2,423,015 | 1,612,029 | 1,970,470 |
| | 2,666,630 | 3,087,719 | 2,936,233 | 3,190,576 |

## 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 30 June | | For the six months ended 30 June | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Net profit for the period (KD) | 5,290,530 | 5,969,668 | 9,375,380 | 9,062,343 |
| Weighted average number of outstanding shares (share) | 1,874,260,730 | 1,872,768,563 | 1,878,717,715 | 1,875,546,702 |
| **Basic earnings per share (fils)** | 2.82 | 3.19 | 4.99 | 4.83 |

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:

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| **Transaction** | | | | |
| Key management benefits | 212,776 | 183,728 | 420,919 | 383,229 |
| Operating revenue | 65,882 | 15,134 | 125,241 | 30,115 |
| Operating & capital expenditures and other charges | 158,667 | 218,629 | 355,186 | 479,909 |
| Other income | 20,470 | - | 20,470 | - |
| Payment for Acquisition of Assocaites | - | - | - | 118,088 |
| Payment for acquisition of Investments | - | - | - | 434,455 |

| | 30 June 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| **Balances** | | | |
| Receivables and other debit balances (Note 7) | 220,967 | 12,220 | 11,776 |
| Payables and other credit balances (Note 13) | 110,193 | 109,156 | 65,844 |
| Balances due to key management | 748,597 | 698,381 | 544,223 |

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 2026 (unaudited) | 31 December 2025 (audited) | 30 June 2025 (unaudited) |
|---|---|---|---|
| **Capital commitments** | | | |
| Uncalled capital – investments | 931,944 | 919,916 | 923,004 |
| Contract for projects and investment properties under development | 871,688 | 1,611,164 | 2,962,199 |
| | 1,803,632 | 2,531,080 | 3,885,203 |
| **Contingent liabilities** | | | |
| Letters of guarantee | 2,231,602 | 3,019,602 | 4,931,067 |

## 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 2026 | | | | For the six months period ended 30 June 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Real estate sector | Hotel | Investment sector | Total | Real estate sector | Hotel | Investment sector | Total |
| Revenue | 13,982,540 | 1,371,609 | 8,014,405 | 23,368,554 | 13,517,199 | 2,305,311 | 7,285,163 | 23,107,673 |
| Direct cost | (4,024,313) | (1,427,433) | (173,599) | (5,625,345) | (3,610,046) | (1,790,794) | (192,218) | (5,593,058) |
| Gross profit / (loss) | 9,958,227 | (55,824) | 7,840,806 | 17,743,209 | 9,907,153 | 514,517 | 7,092,945 | 17,514,615 |
| Unallocated costs | | | | (6,696,603) | | | | (7,073,104) |
| Net profit for the period | | | | 11,046,606 | | | | 10,441,511 |

**Geographic distribution:**

**A- Assets and liabilities**

| | Assets | | | Liabilities | | |
|---|---|---|---|---|---|---|
| | 30 June 2026 | 31 December 2025 (audited) | 30 June 2025 | 30 June 2026 | 31 December 2025 (audited) | 30 June 2025 |
| State of Kuwait | 445,270,734 | 437,145,548 | 428,705,545 | 265,095,425 | 263,088,723 | 255,969,075 |
| Gulf countries | 75,770,301 | 75,847,123 | 75,001,869 | 1,379,975 | 2,011,806 | 2,404,124 |
| Other | 74,757,201 | 76,537,869 | 78,077,713 | - | - | - |
| | 595,798,236 | 589,530,540 | 581,785,127 | 266,475,400 | 265,100,529 | 258,373,199 |

**B- Statement of income**

| | For the six months period ended 30 June 2026 | | | | For the six months period ended 30 June 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | State of Kuwait | Gulf countries | Other | Total | State of Kuwait | Gulf countries | Other | Total |
| Total income | 14,173,228 | 660,149 | 3,756,498 | 18,589,875 | 15,510,719 | 1,799,474 | 968,049 | 18,278,242 |
| Total expenses | (7,208,674) | (331,381) | (3,214) | (7,543,269) | (7,538,561) | (297,572) | (598) | (7,836,731) |
| Net profit | 6,964,554 | 328,768 | 3,753,284 | 11,046,606 | 7,972,158 | 1,501,902 | 967,451 | 10,441,511 |

## 20. Dividends

On 20 April 2026 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 2025. (cash dividends 3% after deduction of treasury shares and 3% bonus shares (3 shares per every 100 shares)) for 31 December 2024.

On 20 April 2026, the extraordinary general assembly meeting convened and approved a 3% increase in the authorized, issued, and paid-up share capital of the Parent Company. This adjustment raised the capital to KD 195,279,836 comprising 1,952,798,365 shares valued at 100 fils each. The increase was achieved through the issuance of 56,877,622 bonus shares, amounting to KD 5,687,762. The formal registration of this capital increase occurred on 5 May 2026.

## 21. The current geopolitical events in the Middle East.

In the light of the ongoing escalating conflict in the Middle East and the associated uncertainty around its potential impact on economic activity, inflation, and market conditions, management acknowledges that this matter may require revision of certain assumptions and estimates in preparing these financial statements in future reporting periods, related to the fair valuation of assets that are measured at fair value and impairment of associates, if the conflict proves prolonged. However, at this stage management is unable to reliably estimate any potential effect, as events are unfolding day-by-day.