



**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 three months ended 31 March 2026**



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

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**And the review report for the three months ended 31 March 2026**

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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 31 March 2026, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months 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 three months period ended 31 March 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 three months period ended 31 March 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, 11 May 2026

**Interim Condensed Consolidated Statement of Financial Position as at 31 March 2026  
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	31 March 2026 (unaudited)	31 December 2025 (audited)	31 March 2025 (unaudited)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		20,518,441	20,471,981	20,480,929
Investment property	5	374,802,161	374,700,296	369,410,787
Intangible assets		2,534,590	2,567,474	2,480,747
Investments in associates	6	61,671,828	59,898,792	49,418,116
Investment at FVOCI		53,419,229	52,874,686	56,946,446
		<u>512,946,249</u>	<u>510,513,229</u>	<u>498,737,025</u>
<b>Current assets</b>				
Land and properties held for trading		15,408,923	15,590,620	16,501,712
Investments at fair value through profit or loss		54,473,602	53,386,766	49,871,028
Receivables and other debit balances	7	6,040,628	7,170,880	7,980,037
Cash and cash equivalents	8	2,810,316	2,869,045	3,415,251
		<u>78,733,469</u>	<u>79,017,311</u>	<u>77,768,028</u>
<b>Total assets</b>		<u>591,679,718</u>	<u>589,530,540</u>	<u>576,505,053</u>
<b>Equity and liabilities</b>				
<b>Equity attributable to the shareholders of the Parent Company</b>				
Share capital		189,592,074	189,592,074	184,069,975
Share premium		1,308,384	1,308,384	1,308,384
Treasury shares	9	(9,802,572)	(13,662,003)	(9,197,515)
Statutory reserve		46,018,377	46,018,377	44,315,967
Voluntary reserve		29,296,785	29,296,785	29,296,785
Other reserve	10	3,003,836	(612,506)	1,552,628
Retained earnings		49,988,006	47,802,247	47,253,526
<b>Total equity attributable to the shareholders of the Parent Company</b>		<u>309,404,890</u>	<u>299,743,358</u>	<u>298,599,750</u>
Non-controlling interests		25,346,483	24,686,653	24,591,356
<b>Total equity</b>		<u>334,751,373</u>	<u>324,430,011</u>	<u>323,191,106</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service indemnity		1,468,966	1,433,888	1,305,835
Lease liabilities	5	2,091,083	2,119,238	2,224,499
Financing from financial institutions	11	226,973,276	234,236,301	200,098,683
		<u>230,533,325</u>	<u>237,789,427</u>	<u>203,629,017</u>
<b>Current liabilities</b>				
Payables and other credit balances	12	12,212,828	12,731,935	13,405,770
Financing from financial institutions	11	14,182,192	14,579,167	36,279,160
		<u>26,395,020</u>	<u>27,311,102</u>	<u>49,684,930</u>
<b>Total liabilities</b>		<u>256,928,345</u>	<u>265,100,529</u>	<u>253,313,947</u>
<b>Total equity and liabilities</b>		<u>591,679,718</u>	<u>589,530,540</u>	<u>576,505,053</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 three months period ended 31 March 2026  
(Unaudited)**

*(All amounts are in Kuwaiti Dinar)*

	Notes	For the three months period ended 31 March	
		2026	2025
<b>Revenue</b>			
Rental income from investment properties and hotel's revenue		7,753,538	7,775,659
Sale of lands		212,988	-
Operating expenses		(2,502,656)	(2,382,802)
Net income from operating activities	13	5,463,870	5,392,857
Share of profit from investment in associate companies	6	2,798,573	2,025,961
Net gain on investments	14	269,603	102,857
Other income		21,648	25,574
Net gross income		8,553,694	7,547,249
<b>Expenses and other charges</b>			
Administrative expenses and other charges		958,963	867,452
(Reversal)/Provision for ECL		(36,355)	100,122
Finance cost		2,720,612	2,820,643
Total expenses		3,643,220	3,788,217
<b>Net profit for the period before deductions</b>		4,910,474	3,759,032
Kuwait Foundation for the Advancement of Sciences (KFAS)		(7,166)	(10,556)
National Labour Support Tax (NLST)		(54,538)	(93,304)
Zakat Expense		-	(14,389)
<b>Net profit for the period</b>		4,848,770	3,640,783
<b>Distributed as follows:</b>			
Shareholders of the Parent Company		4,084,850	3,092,675
Non-controlling interests		763,920	548,108
		4,848,770	3,640,783
<b>Basic earnings per share for Parent Company's shareholders (fils)</b>	15	2.17	1.65

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

Interim Condensed Consolidated Statement of Comprehensive Income for the three months period ended 31 March 2026  
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	For the three months period ended 31 March	
	2026	2025
Net profit for the period	4,848,770	3,640,783
<b>Other comprehensive (loss) / income items:</b>		
<i>Items that will not be reclassified subsequently to the consolidated statement of income:</i>		
Group's share in associates' reserves	(193,365)	408,547
Change in fair value reserve	(710,265)	(543,854)
	(903,630)	(135,307)
<i>Items that may be reclassified subsequently to the consolidated statement of income:</i>		
Foreign currency translation reserve	63,678	121,978
<b>Total other comprehensive loss items</b>	<b>(839,952)</b>	<b>(13,329)</b>
<b>Total comprehensive income for the period</b>	<b>4,008,818</b>	<b>3,627,454</b>
<b>Distributed as follows:</b>		
Shareholders of the Parent Company	3,348,988	3,081,260
Non-controlling interests	659,830	546,194
<b>Total comprehensive income for the period</b>	<b>4,008,818</b>	<b>3,627,454</b>

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

Interim Condensed Consolidated Statement of Changes in Equity for the three months period ended 31 March 2026  
(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 10)	Retained earnings			
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	-	-	-	-	-	-	3,092,675	3,092,675	548,108	3,640,783
Total comprehensive income for the period	-	-	-	-	-	(11,415)	-	(11,415)	(1,914)	(13,329)
Acquisition of additional shares in a subsidiary	-	-	-	-	-	-	4,938	4,938	(8,228)	(3,290)
Sale of investment fair value through other comprehensive income	-	-	-	-	-	(69,865)	128,717	58,852	1,499	60,351
Purchase of treasury shares	-	-	(2,136,220)	-	-	-	-	(2,136,220)	-	(2,136,220)
Sale of treasury shares	-	-	895,674	-	-	354,483	-	1,250,157	-	1,250,157
Balance as at 31 March 2025	184,069,975	1,308,384	(9,197,515)	44,315,967	29,296,785	1,552,628	47,253,526	298,599,750	24,591,356	323,191,106
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	-	-	-	-	-	-	4,084,850	4,084,850	763,920	4,848,770
Total comprehensive income for the period	-	-	-	-	-	(735,862)	-	(735,862)	(104,090)	(839,952)
Sale of investment fair value through other comprehensive income	-	-	-	-	-	1,889,622	(1,899,091)	(9,469)	-	(9,469)
Purchase of treasury shares	-	-	(2,914,652)	-	-	-	-	(2,914,652)	-	(2,914,652)
Sale of treasury shares	-	-	6,774,083	-	-	2,462,582	-	9,236,665	-	9,236,665
Balance as at 31 March 2026	189,592,074	1,308,384	(9,802,572)	46,018,377	29,296,785	3,003,836	49,988,006	309,404,890	25,346,483	334,751,373

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

**Interim Condensed Consolidated Statement of Cash Flows for the three months period ended 31 March 2026  
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	For the three months period ended 31 March	
		2026	2025
<b>Operating activities:</b>			
Net profit for the period		4,848,770	3,640,783
<i>Adjustments for:</i>			
Gain on sale of lands		(2,381)	-
Amortization & Depreciation of intangible asset		32,884	1,487
Depreciation of property, plant and equipment		301,482	278,381
Share of profit from investment in associate companies		(2,798,573)	(2,025,961)
Net gain on investments	14	(269,603)	(102,857)
Finance cost		2,720,612	2,820,643
(Reversal) / provide of provision for ECL		(36,355)	100,122
Employees' end of service indemnity provided during the period		57,076	65,533
<i>Operating cash flow before changes in the working capital</i>		<u>4,853,912</u>	<u>4,778,131</u>
Payment for purchase of land and properties held for trading		(28,910)	(5,440)
Proceeds from sale of Land and properties held for trading		212,988	-
Receivables and other debit balances		(35,520)	(390,021)
Payables and other credit balances		(391,072)	(92,975)
Employees' end of service indemnity paid during the period		(21,998)	(15,929)
<b>Net cash generated from operating activities</b>		<u>4,589,400</u>	<u>4,273,766</u>
<b>Investing activities:</b>			
Net payment for purchase of property, plant and equipment		(348,082)	(65,004)
Payments for intangible assets		-	(145,412)
Payment for additions to investment property		(101,865)	(187,967)
Payment to acquire shares in associate	6	(1,440)	(321,982)
Dividends received from associates' and accrued associate dividends		1,180,468	785,270
Net proceeds on sale of Investment at FVTOCI		107,833	143,840
Payment to acquire investment at fair value through profit or loss		(1,536,999)	(449,134)
Payment to acquire shares in subsidiary		-	(3,290)
Payment to acquire investment at FVTOCI		(458,160)	-
Advance payment for purchase investment of FVTOCI		-	(434,455)
Dividend received from investment		726,411	889,280
<b>Net cash (used in) / generated from investing activities</b>		<u>(431,834)</u>	<u>211,146</u>
<b>FINANCING ACTIVITIES:</b>			
Proceeds from financing from financial institutions		2,850,000	1,650,000
Repayment of financing from financial institutions		(10,510,000)	(1,836,078)
Finance charges paid		(2,830,514)	(3,039,808)
Dividend paid		(9,267)	(4,768)
Payment for buy-back of treasury shares		(2,914,652)	(2,136,220)
Paid for the right to use leased property		(38,527)	(28,896)
Proceeds from sale of treasury shares		9,236,665	1,250,157
<b>Net cash used in financing activities</b>		<u>(4,216,295)</u>	<u>(4,145,613)</u>
<b>Net change in cash and cash equivalents</b>		<u>(58,729)</u>	<u>339,299</u>
Cash and cash equivalents at the beginning of the period		2,869,045	3,075,952
<b>Cash and cash equivalents at the end of the period</b>	8	<u>2,810,316</u>	<u>3,415,251</u>

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

**Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2026 (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		
			31 March 2026	31 December 2025 (audited)	31 March 2025
Al Mutajara Real Estate Company K.S.C.C.	Real estate	Kuwait	%79.21	%79.21	%79.16
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	-

Subsequent to the financial information date, the general assembly meeting of the Parent Company shareholders was held on 20 April 2026 and approved the consolidated financial statements for the year ended 31 December 2025.

This interim condensed consolidated financial information was authorized for issue by Parent Company's Board of Director's on 11 May 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 three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the year ending 31 December 2026.

**Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2026 (Unaudited)**

*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

**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
	31 March 2026	31 December 2025	31 March 2025				
<b>Financial assets</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>				
<b>Investments at fair value - other comprehensive income</b>							
Quoted shares	1,056,194	1,157,249	900,342	Level 1	Last bid price	N/A	N/A
Private equity	45,503,556	44,759,804	52,786,091	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	6,859,479	6,957,633	3,260,013	Level 3	Income approach/market multiple model	Adjusted NAV	Higher estimated cash flows and lower discount rates, results in higher fair value
<b>Investments at fair value – statement of income:</b>							
Quoted shares	1,418,280	1,677,721	1,167,486	Level 1	Last bid price	N/A	N/A
Private equity	53,055,322	51,709,045	48,703,542	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

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. No transfer between the levels happened during the period.

**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.

**Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2026 (Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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.

**5. Investment properties**

	31 March 2026 (unaudited)	31 December 2025 (audited)	31 March 2025 (unaudited)
Balance at beginning of the period/ year	374,700,296	369,222,820	369,222,820
Additions	101,865	2,465,682	187,967
Transfer from land and properties held for trading	-	302,024	-
Change in fair value	-	2,709,770	-
Balance at end of the period/year	<u>374,802,161</u>	<u>374,700,296</u>	<u>369,410,787</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:

	31 March 2026 (unaudited)	31 December 2025 (audited)	31 March 2025 (unaudited)
<b>Lease liabilities (non-current)</b>			
Amounts due after 12 months	1,963,327	1,993,624	2,082,835
<b>Lease liabilities (current)</b>			
Amounts due within 12 months	123,171	122,346	119,409
	<u>2,086,498</u>	<u>2,115,970</u>	<u>2,202,244</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**

	31 March 2026 (unaudited)	31 December 2025 (audited)	31 March 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 *	1,440	5,998,643	321,982
Group's share in a associates results	2,798,573	5,447,098	2,025,961
Group's share in a associates reserves	(193,365)	4,034,937	408,547
Acquisition of subsidiary	-	169,491	-
Translation of foreign currencies	63,838	11,861	122,082
Capital reduction of associate	-	(156,832)	-
Cash dividends	(897,450)	(2,931,220)	(785,270)
	<u>61,671,828</u>	<u>59,898,792</u>	<u>49,418,116</u>

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

**7. Receivables and other debit balances**

	31 March 2026 (unaudited)	31 December 2025 (audited)	31 March 2025 (unaudited)
Trade receivables	4,227,845	4,231,419	4,624,859
Due from related parties (note 16)	21,560	12,220	-
Provision for impairment	(3,764,236)	(3,800,591)	(4,066,064)
	<u>485,169</u>	<u>443,048</u>	<u>558,795</u>
Advance payments for acquisition of investments	2,792,420	3,706,370	3,246,112
Advances to contractors and suppliers	388,735	433,644	538,623
Prepaid expenses	251,093	180,012	260,429
Refundable deposits	340,500	340,000	340,000
Other debit balances	1,872,718	2,157,813	3,126,085
	<u>5,645,466</u>	<u>6,817,839</u>	<u>7,511,249</u>
Provisions	(90,007)	(90,007)	(90,007)
	<u>5,555,459</u>	<u>6,727,832</u>	<u>7,421,242</u>
	<u>6,040,628</u>	<u>7,170,880</u>	<u>7,980,037</u>

**Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2026 (Unaudited)**

*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

Movement in credit losses is as follows:

	<b>31 March 2026 (unaudited)</b>	<b>31 December 2025 (audited)</b>	<b>31 March 2025 (unaudited)</b>
Balance at beginning of the period/year	3,800,591	3,965,942	3,965,942
Provision created during the period/year	15,496	22,595	100,122
Reversal of provision for Expected credit losses	(51,851)	(187,946)	-
Balance at end of the period/year	<u>3,764,236</u>	<u>3,800,591</u>	<u>4,066,064</u>

**8. Cash and cash equivalents**

	<b>31 March 2026 (unaudited)</b>	<b>31 December 2025 (audited)</b>	<b>31 March 2025 (unaudited)</b>
Cash in hand	5,500	5,435	5,833
Cash at banks and financial institutions	1,814,816	2,263,610	1,709,418
Deposits with financial institution	990,000	600,000	1,700,000
Cash and cash equivalent for cash flow	<u>2,810,316</u>	<u>2,869,045</u>	<u>3,415,251</u>

**9. Treasury shares**

	<b>31 March 2026 (unaudited)</b>	<b>31 December 2025 (audited)</b>	<b>31 March 2025 (unaudited)</b>
Number of shares (No's)	71,779,697	101,396,183	76,656,324
Percentage of issued shares (%)	3.79	5.35	4.16
Market value	12,489,667	20,583,425	12,878,262
Cost	9,802,572	13,662,003	9,197,515

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.

**10. Other reserves**

	<b>Change of fair value reserve</b>	<b>Group's share in associates' reserves</b>	<b>Translation of foreign currencies</b>	<b>Property, plant and equipment revaluation surplus</b>	<b>Treasury shares reserve/sale of treasury shares</b>	<b>Total</b>
<b>As at 1 January 2025</b>	(10,368,234)	4,145,153	389,743	5,547,886	1,564,877	1,279,425
Total comprehensive income for the period	(537,988)	404,595	121,978	-	-	(11,415)
Sale of investment through OCI	(69,865)	-	-	-	-	(69,865)
Sale of treasury shares	-	-	-	-	354,483	354,483
<b>As at 31 March 2025</b>	<u>(10,976,087)</u>	<u>4,549,748</u>	<u>511,721</u>	<u>5,547,886</u>	<u>1,919,360</u>	<u>1,552,628</u>
<b>As at 1 January 2026</b>	(16,625,335)	8,045,495	400,611	5,547,886	2,018,837	(612,506)
Total comprehensive income for the period	(612,790)	(186,750)	63,678	-	-	(735,862)
Sale of investment through OCI	1,889,622	-	-	-	-	1,889,622
Sale of treasury shares	-	-	-	-	2,462,582	2,462,582
<b>As at 31 March 2026</b>	<u>(15,348,503)</u>	<u>7,858,745</u>	<u>464,289</u>	<u>5,547,886</u>	<u>4,481,419</u>	<u>3,003,836</u>

**Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2026 (Unaudited)**

*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

**11. Financing from financial institutions**

	<b>31 March 2026 (unaudited)</b>	<b>31 December 2025 (audited)</b>	<b>31 March 2025 (unaudited)</b>
Finance from financial institutions – current portion	14,182,192	14,579,167	36,279,160
Finance from financial institutions – non current portion	226,973,276	234,236,301	200,098,683
	<u>241,155,468</u>	<u>248,815,468</u>	<u>236,377,843</u>
Cost rate (%)	4.40-4.50	4.90-5.25	4.90-5.00

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

	<b>31 March 2026 (unaudited)</b>	<b>31 December 2025 (audited)</b>	<b>31 March 2025 (unaudited)</b>
Property, plant and equipment	19,228,839	19,094,543	19,076,417
Investment property	291,810,202	296,676,060	283,090,327

**12. Payables and other credit balances**

	<b>31 March 2026 (unaudited)</b>	<b>31 December 2025 (audited)</b>	<b>31 March 2025 (unaudited)</b>
Trade payables	1,077,016	1,000,627	1,111,769
Due to related parties (Note 16)	124,473	109,156	72,091
Retentions	370,021	370,021	1,106,259
Accrued expense	3,075,526	3,140,796	2,962,705
Revenues received in advance	628,036	726,730	650,543
Security deposits from tenants	3,214,018	3,202,170	3,182,553
Kuwait Foundation for the Advancement of Science (KFAS)	7,166	71,244	10,556
National Labour Support Tax (NLST)	480,974	426,436	496,136
Zakat payable	83,934	83,934	113,781
Dividends payable to shareholders	226,245	235,512	254,678
Other credit balances*	2,925,419	3,365,309	3,444,699
	<u>12,212,828</u>	<u>12,731,935</u>	<u>13,405,770</u>

\* Other credit balances include lease liabilities of KD 135,587 due within 12 months.

**13. Net income from operating activities**

	<b>For the three months period ended 31 March</b>	
	<b>2026</b>	<b>2025</b>
Real estate rental income	6,926,781	6,696,814
Hotel's and hospitality revenues	826,757	1,078,845
Total revenues	<u>7,753,538</u>	<u>7,775,659</u>
Sale of lands	212,988	-
	<u>7,966,526</u>	<u>7,775,659</u>
Operating expenses	<u>(1,488,997)</u>	<u>(1,520,828)</u>
Hotel and hospitality expenses	(803,052)	(861,974)
Cost of sold lands	210,607	-
Total expenses	<u>(2,502,656)</u>	<u>(2,382,802)</u>
	<u>5,463,870</u>	<u>5,392,857</u>

Hotel and hospitality expenses include an amount of KD 220,784 (KD 208,407 - 2025) which represents the current period depreciation of the hotel building and related equipment.

Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2026  
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

14. Net gain on investments

	For the three months period ended 31 March	
	2026	2025
<b>Investment at FVOCI</b>		
Cash dividends	719,766	555,402
	<u>719,766</u>	<u>555,402</u>
<b>Investments at fair value through profit or loss</b>		
Change in fair value	(450,163)	(824,693)
Cash dividends	-	372,148
	<u>(450,163)</u>	<u>(452,545)</u>
	<u>269,603</u>	<u>102,857</u>

15. 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:

	Three months ended 31 March	
	2026	2025
Net profit for the period (KD)	4,084,850	3,092,675
Weighted average number of outstanding shares (share)	<u>1,883,221,969</u>	<u>1,878,345,932</u>
<b>Basic EPS (fils)</b>	<u>2.17</u>	<u>1.65</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 19).

16. 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	Three months ended 31 March	
	2026	2025
Key management benefits	208,143	199,501
Operating Revenue	59,359	14,981
Operating & capital expenditures and other charges	196,519	261,280
Advanced for acquisition of investments	-	434,455
Purchases of additional shares of associates	-	118,088

	31 March 2026 (unaudited)	31 December 2025 (audited)	31 March 2025 (unaudited)
<b>Balances</b>			
Receivables and other debit balances (Note 7)	21,560	12,220	-
Payables and other credit balances (Note 12)	124,473	109,156	72,091
Balances due to key management	738,799	698,381	617,717

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.

17. Capital commitments and contingent liabilities

	31 March 2026 (unaudited)	31 December 2025 (audited)	31 March 2025 (unaudited)
<b>Capital commitments</b>			
Uncalled capital – investments	922,896	919,916	931,944
Contract for projects and investment properties under development	<u>1,081,832</u>	<u>1,611,164</u>	<u>3,204,959</u>
	<u>2,004,728</u>	<u>2,531,080</u>	<u>4,136,903</u>
<b>Contingent liabilities</b>			
Letters of guarantee	<u>2,251,602</u>	<u>3,019,602</u>	<u>4,291,067</u>

**Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2026 (Unaudited)**

*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

**18. Segment information**

The Group is organized into two major business segments; real estate including 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 three months period ended 31 March 2026			For the three months period ended 31 March 2025				
	Real estate sector	Hotel	Investment sector	Total	Real estate sector	Hotel	Investment sector	Total
Revenue	7,139,769	826,757	3,068,176	11,034,702	6,696,814	1,078,845	2,128,818	9,904,477
Direct cost	(1,993,564)	(803,052)	(94,588)	(2,891,204)	(1,902,633)	(861,974)	(98,372)	(2,862,979)
Gross profit / (loss)	5,146,205	23,705	2,973,588	8,143,498	4,794,181	216,871	2,030,446	7,041,498
Unallocated costs			(3,294,728)					(3,400,715)
Net profit for the period			4,848,770					3,640,783

**Geographic distribution:**

**A- Assets and liabilities**

	Assets			Liabilities		
	31 March 2026 (unaudited)	31 December 2025 (audited)	31 March 2025 (unaudited)	31 March 2026 (unaudited)	31 December 2025 (audited)	31 March 2025 (unaudited)
State of Kuwait	437,141,143	437,145,548	424,445,925	255,390,946	263,088,723	250,314,650
Gulf countries	75,853,477	75,847,123	71,912,476	1,537,399	2,011,806	2,999,297
Other	78,685,098	76,537,869	80,146,652	-	-	-
	591,679,718	589,530,540	576,505,053	256,928,345	265,100,529	253,313,947

**B- Statement of income**

	For the three months period ended 31 March 2026			For the three months period ended 31 March 2025				
	State of Kuwait	Gulf countries	Other	Total	State of Kuwait	Gulf countries	Other	Total
Total income	6,741,005	322,146	1,490,543	8,553,694	7,579,547	(132,642)	100,344	7,547,249
Total expenses	(3,574,906)	(128,910)	(1,108)	(3,704,924)	(3,759,245)	(146,623)	(598)	(3,906,466)
Net profit	3,166,099	193,236	1,489,435	4,848,770	3,820,302	(279,265)	99,746	3,640,783

**Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2026  
(Unaudited)**

*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

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**19. 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 share 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 in the commercial register is anticipated to occur in the subsequent period.

**20. 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, as events are unfolding day-by-day