



**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 nine months ended 30 September 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 September 2025, and the related interim condensed consolidated statements of income, interim condensed consolidated statement of comprehensive income for the three-month and nine-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 nine 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.

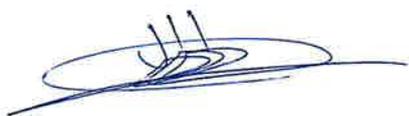
Conclusion

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 nine-month period ended 30 September 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 the Capital Markets Authority "CMA" and organization of security activity and its executive regulations, as amended, during the nine-month period ended 30 September 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, 10 November 2025

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

(All amounts are in Kuwaiti Dinar)

	Notes	30 September 2025 (unaudited)	31 December 2024 (audited)	30 September 2024 (unaudited)
Assets				
Non-current assets				
Property, plant and equipment		20,101,329	20,694,306	20,897,968
Investment property	5	370,495,745	369,222,820	369,509,777
Intangible assets		2,583,732	2,336,822	-
Investments in associates	6	55,072,397	47,324,814	45,560,784
Investment at FVOCI	3	52,553,634	57,573,786	57,796,008
		<u>500,806,837</u>	<u>497,152,548</u>	<u>493,764,537</u>
Current assets				
Land and properties held for trading		16,314,483	16,496,272	16,816,623
Investments at fair value through profit or loss	3	53,647,203	50,246,587	48,222,389
Receivables and other debit balances	7	13,779,593	7,217,520	8,830,635
Cash and cash equivalents	8	2,756,371	3,075,952	7,762,776
		<u>86,497,650</u>	<u>77,036,331</u>	<u>81,632,423</u>
Total assets		<u>587,304,487</u>	<u>574,188,879</u>	<u>575,396,960</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	(12,005,705)	(7,956,969)	(7,122,269)
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	139,614	1,279,425	1,546,990
Retained earnings		45,963,163	44,027,196	43,166,563
Total equity attributable to the shareholders of the Parent Company		<u>298,610,282</u>	<u>296,340,763</u>	<u>294,952,392</u>
Non-controlling interests		25,435,879	24,051,891	24,467,043
Total equity		<u>324,046,161</u>	<u>320,392,654</u>	<u>319,419,435</u>
Liabilities				
Non-current liabilities				
Employees' end of service indemnity		1,414,437	1,256,231	1,211,440
Lease liabilities	5	2,161,750	2,253,331	2,134,016
Financing from financial institutions	12	215,619,099	199,692,648	230,965,992
		<u>219,195,286</u>	<u>203,202,210</u>	<u>234,311,448</u>
Current liabilities				
Payables and other credit balances	13	11,597,450	13,722,742	12,144,847
Financing from financial institutions	12	32,465,590	36,871,273	9,521,230
		<u>44,063,040</u>	<u>50,594,015</u>	<u>21,666,077</u>
Total liabilities		<u>263,258,326</u>	<u>253,796,225</u>	<u>255,977,525</u>
Total equity and liabilities		<u>587,304,487</u>	<u>574,188,879</u>	<u>575,396,960</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 nine months period ended 30 September 2025
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2025	2024	2025	2024
Revenue					
Rental income from investment properties and revenue from hotel operations	14	7,562,217	7,384,587	23,384,727	22,882,751
Losses on sale of land and properties held for trading		(10,668)	-	(10,668)	92,994
Operating expenses		(2,494,307)	(2,301,405)	(7,359,832)	(6,829,240)
Net income from operating activities	14	5,057,242	5,083,182	16,014,227	16,146,505
Share of profit from associates	6	1,160,349	1,561,134	5,254,936	5,596,533
Net gain on investments	15	1,860,849	1,549,376	5,051,425	5,705,074
Other income		49,906	139,091	86,000	240,628
Total net income		8,128,346	8,332,783	26,406,588	27,688,740
Expenses and other charges					
Administrative expenses and other charges		837,216	741,447	2,691,030	2,576,449
(Reversal)/Provision for ECL		(64,856)	(457,012)	(133,131)	(113,223)
Finance cost		3,019,250	3,432,126	8,729,575	9,498,762
Total expenses		3,791,610	3,716,561	11,287,474	11,961,988
Net profit for the period before deductions		4,336,736	4,616,222	15,119,114	15,726,752
Kuwait Foundation for the Advancement of Sciences (KFAS)		(16,865)	(5,848)	(62,015)	(66,417)
National Labour Support Tax (NLST)		(89,677)	(67,122)	(330,445)	(335,673)
Zakat Expense		(18,312)	(6,793)	(73,261)	(82,703)
Net profit for the period		4,211,882	4,536,459	14,653,393	15,241,959
Distributed as follows:					
Shareholders of the Parent Company		3,563,824	3,689,331	12,626,167	13,261,512
Non-controlling interests		648,058	847,128	2,027,226	1,980,447
		4,211,882	4,536,459	14,653,393	15,241,959
Basic earnings per share for Parent Company's shareholders (fils)	16	1.97	2.02	6.96	7.22

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

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

(All amounts are in Kuwaiti Dinar)

	For the three months ended 30 September		For the nine months ended 30 September	
	2025	2024	2025	2024
Net profit for the period	<u>4,211,882</u>	<u>4,536,459</u>	<u>14,653,393</u>	<u>15,241,959</u>
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	677,269	(112,316)	3,466,275	866,729
Change in fair value reserve	<u>(2,441,681)</u>	<u>(18,439)</u>	<u>(5,280,542)</u>	<u>(1,825,505)</u>
	<u>(1,764,412)</u>	<u>(130,755)</u>	<u>(1,814,267)</u>	<u>(958,776)</u>
<i>Items that may be reclassified subsequently to the consolidated statement of income:</i>				
Foreign currency translation reserve	<u>(54,631)</u>	<u>(15,630)</u>	<u>68,669</u>	<u>(106,436)</u>
Total other comprehensive income /(loss)	<u>(1,819,043)</u>	<u>(146,385)</u>	<u>(1,745,598)</u>	<u>(1,065,212)</u>
Total comprehensive income for the period	<u>2,392,839</u>	<u>4,390,074</u>	<u>12,907,795</u>	<u>14,176,747</u>
Distributed as follows:				
Shareholders of the Parent Company	1,978,576	3,579,679	11,102,261	12,247,904
Non-controlling interests	<u>414,263</u>	<u>810,395</u>	<u>1,805,534</u>	<u>1,928,843</u>
Total comprehensive income for the period	<u>2,392,839</u>	<u>4,390,074</u>	<u>12,907,795</u>	<u>14,176,747</u>

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

**Interim Condensed Consolidated Statement of Changes in Equity for the nine months period ended 30 September 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 premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (note 11)	Retained earnings	Total equity			
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	-	-	-	-	-	-	13,261,512	13,261,512	1,980,447	15,241,959
Total comprehensive income for the period	-	-	-	-	-	(1,013,608)	-	(1,013,608)	(51,604)	(1,065,212)
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)
Sale of investment at FVTOCI	-	-	-	-	-	(30,692)	10,229	(20,463)	-	(20,463)
In-kind distributions of treasury shares	-	-	3,791,038	-	-	1,020,817	(4,811,855)	-	-	-
Cash dividends to non controlling subsidiaries	-	-	-	-	-	-	-	-	(843,432)	(843,432)
Purchase of treasury shares	-	-	(3,657,540)	-	-	-	-	(3,657,540)	-	(3,657,540)
Sale of treasury shares	-	-	1,284,168	-	-	310,714	-	1,594,882	-	1,594,882
Balance as at 30 September 2024	184,069,975	1,308,384	(7,122,269)	42,685,964	29,296,785	1,546,990	43,166,563	294,952,392	24,467,043	319,419,435
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	-	-	-	-	-	-	12,626,167	12,626,167	2,027,226	14,653,393
Total comprehensive income for the period	-	-	-	-	-	(1,523,906)	-	(1,523,906)	(221,692)	(1,745,598)
Acquisition of additional shares in a subsidiary	-	-	-	-	-	-	12,887	12,887	(21,446)	(8,559)
Sale of investment at FVTOCI	-	-	-	-	-	(69,865)	128,717	58,852	1,499	60,351
Cash dividends (note 20)	-	-	-	-	-	-	(5,309,705)	(5,309,705)	-	(5,309,705)
In-kind distributions of treasury shares (note 20)	5,522,099	-	-	-	-	-	(5,522,099)	-	-	-
Cash dividends to non controlling subsidiaries	-	-	-	-	-	-	-	-	(401,599)	(401,599)
Purchase of treasury shares	-	-	(5,219,340)	-	-	-	-	(5,219,340)	-	(5,219,340)
Sale of treasury shares	-	-	1,170,604	-	-	453,960	-	1,624,564	-	1,624,564
Balance as at 30 September 2025	189,592,074	1,308,384	(12,005,705)	44,315,967	29,296,785	139,614	45,963,163	298,610,282	25,435,879	324,046,161

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

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

(All amounts are in Kuwaiti Dinar)

	Notes	For the nine months period ended 30 September	
		2025	2024
Operating activities:			
Net profit for the period		14,653,393	15,241,959
Adjustments for:			
Gain on sale of lands and properties held for trading		10,668	(92,994)
Depreciation of property, plant and equipment		859,308	906,435
Depreciation of intangible asset		4,461	-
Net (Reversal) / provisions and impairment		(133,131)	(113,223)
Share of profit from investment in associate companies	6	(5,254,936)	(5,596,533)
Net gain on investments	15	(5,051,425)	(5,705,074)
Finance cost		8,729,575	9,498,762
Employees' end of service indemnity provided during the period		178,876	136,813
Operating cash flows before changes in working capital		13,996,789	14,276,145
Payment for purchase of land and properties held for trading		(47,025)	(94,780)
Proceeds from sale of land and properties held for trading		218,145	280,671
Receivables and other debit balances		(640,855)	(620,985)
Payables and other credit balances		(1,773,847)	(1,122,014)
Employees' end of service indemnity paid during the period		(20,670)	(192,484)
Net cash generated from operating activities		11,732,537	12,526,553
Investing activities:			
Payment for purchase of investment property		(1,272,925)	(417,688)
Payment for purchase of property, plant and equipment		(266,331)	(407,922)
Payments for intangible assets		(251,371)	-
Advance payment for purchase investments		(7,113,921)	(2,609,657)
Payment to acquire shares in associate	6	(2,044,446)	(2,011,204)
Proceeds on capital reduction in associate		156,832	1,248,388
Payment to acquire investment at fair value through profit or loss		(1,154,054)	(390,400)
Proceed on sale of investment at fair value through profit of loss		-	1,279,950
Payment to acquire investment at FVTOCI		(445,109)	(2,211,705)
Proceeds on sale of Investment at FVTOCI		245,070	302,330
Payment to acquire shares in subsidiary		(8,559)	(320,102)
Dividend and accrued dividends received from associates		4,302,432	3,052,415
Dividend received from investment		2,760,962	2,733,546
Deposits with financial institution		-	(403,000)
Net cash used in investing activities		(5,091,420)	(155,049)
FINANCING ACTIVITIES:			
Proceeds from financing from third party		22,950,000	23,720,000
Repayment of financing from third party		(11,429,232)	(12,499,346)
Finance charges paid		(9,116,893)	(9,418,772)
Dividend paid		(5,271,527)	(7,070,877)
Payment for buy-back of treasury shares		(5,219,340)	(3,657,540)
Proceeds from sale of treasury shares		1,624,564	1,594,882
Lease liability payment		(96,671)	(86,679)
Dividend paid for non-controlling interest in subsidiaries		(401,599)	(843,432)
Net cash used in financing activities		(6,960,698)	(8,261,764)
Net change in cash and cash equivalents		(319,581)	4,109,740
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	2,756,371	7,359,776

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

Notes to the Interim Condensed Consolidated Financial Information for the nine months period ended 30 September 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 September 2025	31 December 2024 (audited)	30 September 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 10 November 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 nine-month period ended 30 September 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:

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.

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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 September 2025	31 December 2024	30 September 2024				
Financial assets	(unaudited)	(audited)	(unaudited)				
Investments at fair value - other comprehensive income							
Quoted shares	1,144,210	869,117	881,654	Level 1	Last bid price	N/A	N/A
Private equity	48,241,689	53,410,695	53,644,618	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	3,167,735	3,293,974	3,269,736	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	1,669,073	1,081,006	996,255	Level 1	Last bid price	N/A	N/A
Private equity	51,978,130	49,165,581	47,226,134	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 nine months period ended 30 September 2025 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. Investment properties

	30 September 2025 (unaudited)	31 December 2024 (audited)	30 September 2024 (unaudited)
Balance at beginning of the period/ year	369,222,820	369,092,089	369,092,089
Additions	1,272,925	646,011	417,688
Change in fair value	-	(515,280)	-
Balance at end of the period/year	<u>370,495,745</u>	<u>369,222,820</u>	<u>369,509,777</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 September 2025 (unaudited)	31 December 2024 (audited)	30 September 2024 (unaudited)
Lease liabilities (non-current)			
Amounts due after 12 months	<u>2,025,855</u>	<u>2,113,688</u>	<u>2,134,016</u>
Lease liabilities (current)			
Amounts due within 12 months	<u>119,409</u>	<u>116,754</u>	<u>124,432</u>
	<u>2,145,264</u>	<u>2,230,442</u>	<u>2,258,448</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 September 2025 (unaudited)	31 December 2024 (audited)	30 September 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 *	2,044,446	2,288,658	2,011,204
Capital reduction in an associate	(156,832)	(1,248,388)	(1,248,388)
Group's share in a associates results	5,254,936	5,235,054	5,596,533
Group's share in a associates reserves	3,466,275	2,777,075	866,729
Translation of foreign currencies	69,978	(168,727)	(106,436)
Cash dividends	(2,931,220)	(3,052,415)	(3,052,415)
	<u>55,072,397</u>	<u>47,324,814</u>	<u>45,560,784</u>

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

7. Receivables and other debit balances

	30 September 2025 (unaudited)	31 December 2024 (audited)	30 September 2024 (unaudited)
Trade receivables	4,210,640	4,477,996	4,630,165
Due from related parties (Note 17)	11,776	-	41
Provision for impairment	(3,832,811)	(3,965,942)	(3,990,865)
	<u>389,605</u>	<u>512,054</u>	<u>639,341</u>
Advance payments for acquisition of investments	9,925,578	2,811,657	2,811,657
Prepaid expenses	142,370	164,078	164,270
Refundable deposits	340,500	340,000	340,000
Advances to contractors and suppliers	774,703	408,074	314,733
Other debit balances	2,296,844	3,071,664	4,650,641
	<u>13,479,995</u>	<u>6,795,473</u>	<u>8,281,301</u>
Provisions	(90,007)	(90,007)	(90,007)
	<u>13,389,988</u>	<u>6,705,466</u>	<u>8,191,294</u>
	<u>13,779,593</u>	<u>7,217,520</u>	<u>8,830,635</u>

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Movement in credit losses is as follows:

	30 September 2025 (unaudited)	31 December 2024 (audited)	30 September 2024 (unaudited)
Balance at beginning of the period/year	3,965,942	3,955,821	3,955,821
Provision created during the period/year	26,541	243,051	35,044
Reversal of provision for expected credit losses	(159,672)	(232,930)	-
Balance at end of the period/year	<u>3,832,811</u>	<u>3,965,942</u>	<u>3,990,865</u>

8. Cash and cash equivalents

	30 September 2025 (unaudited)	31 December 2024 (audited)	30 September 2024 (unaudited)
Cash in hand	5,885	5,871	5,880
Cash at banks and financial institutions	1,950,486	2,111,581	3,903,896
Deposits with financial institution	800,000	958,500	3,853,000
	<u>2,756,371</u>	<u>3,075,952</u>	<u>7,762,776</u>
Less: deposits with financial institution more than 3 months	-	-	(403,000)
Cash and cash equivalent for cash flow	<u>2,756,371</u>	<u>3,075,952</u>	<u>7,359,776</u>

9. Share capital

The authorized, issued and paid up share capital of the Parent Company as at 30 September 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 September 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 September 2025 (unaudited)	31 December 2024 (audited)	30 September 2024 (unaudited)
Number of shares (No's)	93,313,428	72,311,294	66,876,997
Percentage of issued shares (%)	4.92	3.93	3.63
Market value	19,035,939	10,485,138	10,031,550
Cost	12,005,705	7,956,969	7,122,269

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	(1,746,057)	838,885	(106,436)	-	-	(1,013,608)
Sale of OCI investment	(30,692)	-	-	-	-	(30,692)
Sale of treasury shares	-	-	-	-	310,714	310,714
In kind Dividend	-	-	-	-	1,020,817	1,020,817
As at 30 September 2024	<u>(8,302,850)</u>	<u>2,285,042</u>	<u>452,035</u>	<u>5,547,886</u>	<u>1,564,877</u>	<u>1,546,990</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	(4,957,955)	3,365,380	68,669	-	-	(1,523,906)
Sale of OCI investment	(69,865)	-	-	-	-	(69,865)
Sale of treasury shares	-	-	-	-	453,960	453,960
As at 30 September 2025	<u>(15,396,054)</u>	<u>7,510,533</u>	<u>458,412</u>	<u>5,547,886</u>	<u>2,018,837</u>	<u>139,614</u>

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

12. Financing from financial institutions

	30 September 2025	31 December 2024	30 September 2024
	(unaudited)	(audited)	(unaudited)
Finance from financial institutions – current portion	32,465,590	36,871,273	9,521,230
Finance from financial institutions – non current portion	215,619,099	199,692,648	230,965,992
	<u>248,084,689</u>	<u>236,563,921</u>	<u>240,487,222</u>
Cost rate (%)	4.65-5.00	4.90-5.25	5.00-5.25
Finance granted by financial institutions is secured against mortgage of the following assets:			
	30 September 2025	31 December 2024	30 September 2024
	(unaudited)	(audited)	(unaudited)
Property, plant and equipment	18,769,326	19,241,485	19,379,196
Investment property	283,538,632	282,917,980	281,116,485

13. Payables and other credit balances

	30 September 2025	31 December 2024	30 September 2024
	(unaudited)	(audited)	(unaudited)
Trade payables	777,453	1,036,672	659,107
Due to related parties (Note 17)	63,419	78,849	73,988
Retentions	1,204,632	1,084,878	1,055,455
Accrued expense	2,268,917	3,150,537	2,305,320
Revenues received in advance	765,585	866,311	804,423
Security deposits from tenants	3,191,267	3,250,829	3,271,261
Kuwait Foundation for the Advancement of Science (KFAS)	62,015	75,699	66,417
National Labour Support Tax (NLST)	330,445	402,832	335,673
Zakat payable	73,261	99,392	82,703
Dividends payable to shareholders	297,624	259,446	264,483
Other credit balances*	2,562,832	3,417,297	3,226,017
	<u>11,597,450</u>	<u>13,722,742</u>	<u>12,144,847</u>

* Other credit balances include lease liabilities of KD 119,409 due within 12 months.

14. Net income from operating activities

	For the three months ended 30 September		For the nine months ended 30 September	
	2025	2024	2025	2024
Revenues				
Real estate rental income	6,837,705	6,680,568	20,354,904	20,093,027
Hotel and hospitality revenues	724,512	704,019	3,029,823	2,789,724
	<u>7,562,217</u>	<u>7,384,587</u>	<u>23,384,727</u>	<u>22,882,751</u>
Gain on sale of land and properties held for trading	(10,668)	-	(10,668)	92,994
	<u>7,551,549</u>	<u>7,384,587</u>	<u>23,374,059</u>	<u>22,975,745</u>
Expenses				
Operating expenses	(1,720,091)	(1,556,011)	(4,794,822)	(4,385,481)
Hotel and hospitality expenses	(774,216)	(745,394)	(2,565,010)	(2,443,759)
Net income from operating activities	<u>(2,494,307)</u>	<u>(2,301,405)</u>	<u>(7,359,832)</u>	<u>(6,829,240)</u>
	<u>5,057,242</u>	<u>5,083,182</u>	<u>16,014,227</u>	<u>16,146,505</u>

Hotel and hospitality expenses include an amount of KD 632,391 (KD 625,385 - 2024) which represents the current period depreciation of the hotel building and related equipment.

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

15. Net gain on investments

	For the three months ended		For the Nine months ended	
	30 September		30 September	
	2025	2024	2025	2024
Investment at FVOCI				
Cash dividends	578,389	653,153	1,798,495	1,999,142
	<u>578,389</u>	<u>653,153</u>	<u>1,798,495</u>	<u>1,999,142</u>
Investments at fair value through profit or loss				
Change in fair value	700,128	313,899	2,246,562	2,811,800
Cash dividends	582,332	582,324	1,006,368	582,324
Gain on sale	-	-	-	311,808
	<u>1,282,460</u>	<u>896,223</u>	<u>3,252,930</u>	<u>3,705,932</u>
	<u>1,860,849</u>	<u>1,549,376</u>	<u>5,051,425</u>	<u>5,705,074</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 Nine months ended	
	30 September		30 September	
	2025	2024	2025	2024
Net profit for the period (KD)	3,563,824	3,689,331	12,626,167	13,261,512
Weighted average number of outstanding shares (share)	<u>1,808,279,498</u>	<u>1,830,113,452</u>	<u>1,815,167,847</u>	<u>1,837,290,620</u>
Basic earnings per share (fils)	<u>1.97</u>	<u>2.02</u>	<u>6.96</u>	<u>7.22</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 distributed during the 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 Nine months ended	
	30 September		30 September	
	2025	2024	2025	2024
Key management benefits	150,052	154,194	533,281	546,525
Operating revenue	19,046	50,423	49,161	90,166
Operating & capital expenditures and other charges	309,723	194,779	789,632	606,965
Profit from Sales of Investments at fair value profit & loss	-	-	-	311,808
Other revenue	15,527	5,166	15,527	5,166
Payment for Acquisition of Assocaites	-	636,605	118,088	636,605
Payment for acquisition of Investments	-	-	434,455	-

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	30 September 2025 (unaudited)	31 December 2024 (audited)	30 September 2024 (unaudited)
Balances			
Receivables and other debit balances	11,776	-	41
Payables and other credit balances	63,419	78,849	73,988
Balances due to key management	413,409	579,469	330,737

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 September 2025 (unaudited)	31 December 2024 (audited)	30 September 2024 (unaudited)
Capital commitments			
Uncalled capital – investments	922,896	929,380	923,801
Contract for projects and investment properties under development	2,435,663	3,401,733	4,140,190
	<u>3,358,559</u>	<u>4,331,113</u>	<u>5,063,991</u>
Contingent liabilities			
Letters of guarantee	4,896,687	4,291,067	4,341,067

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 nine months period ended 30 September 2025			For the nine months period ended 30 September 2024				
	Real estate sector	Hotel	Investment sector	Total	Real estate sector	Hotel	Investment sector	Total
Revenue	20,344,236	3,029,823	10,306,361	33,680,420	20,186,021	2,789,724	11,301,607	34,277,352
Direct cost	(5,605,331)	(2,565,010)	(223,799)	(8,394,140)	(5,386,334)	(2,443,759)	(104,329)	(7,934,422)
Gross profit / (loss)	14,738,905	464,813	10,082,562	25,286,280	14,799,687	345,965	11,197,278	26,342,930
Unallocated costs				(10,632,887)				(11,100,971)
Net profit for the period				14,653,393				15,241,959

Geographic distribution:

A- Assets and liabilities

	Assets			Liabilities		
	30 September 2025	31 December 2024	30 September 2024	30 September 2025	31 December 2024	30 September 2024
State of Kuwait	431,778,579	421,372,706	423,989,886	261,091,231	250,809,917	253,242,563
Gulf countries	79,460,261	72,065,478	70,340,957	2,167,095	2,986,308	2,734,962
Other	76,065,647	80,750,695	81,066,117	-	-	-
	587,304,487	574,188,879	575,396,960	263,258,326	253,796,225	255,977,525

B- Statement of income

	For the nine months period ended 30 September 2025			For the nine months period ended 30 September 2024				
	State of Kuwait	Gulf countries	Other	Total	State of Kuwait	Gulf countries	Other	Total
Total income	22,895,198	1,821,260	1,690,130	26,406,588	21,354,980	3,529,211	2,804,549	27,688,740
Total expenses	(11,278,440)	(474,157)	(598)	(11,753,195)	(12,104,533)	(487,820)	145,572	(12,446,781)
Net profit	11,616,758	1,347,103	1,689,532	14,653,393	9,250,447	3,041,391	2,950,121	15,241,959

**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.