Grant Thornton
Al-Qatami, Al-Aiban & Partners

# Interim condensed consolidated financial information and review report

## IFA Hotels and Resorts – KPSC and Subsidiaries

## Kuwait

30 September 2026 (Unaudited)

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# Report on Review of Interim Condensed Consolidated Financial Information

To the board of directors of
IFA Hotels and Resorts – KPSC
Kuwait

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

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

*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 34, "Interim Financial Reporting".

**Report on review of 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, no violation of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2026 that might have had a material effect on the business or financial position of the Parent Company.

## Report on Review of Interim Condensed Consolidated Financial Information of IFA Hotels and Resorts – KPSC (continued)

**Report on review of other legal and regulatory requirements (continued)**

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2026 that might have had a material effect on the business or financial position of the Parent Company.

Hend Abdullah Al Surayea
(Licence No. 141-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
29 October 2026

# Interim condensed consolidated statement of profit or loss

| | Note | Three months ended 30 Sept. 2026 (Unaudited) KD | Three months ended 30 Sept. 2025 (Unaudited) KD | Nine months ended 30 Sept. 2026 (Unaudited) KD | Nine months ended 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|---|---|
| **Continuing operations** | | | | | |
| Revenue | 6 | **4,702,277** | 6,176,926 | **15,899,728** | 17,486,033 |
| Cost of revenue | | **(2,502,948)** | (3,281,486) | **(8,501,429)** | (10,140,274) |
| | | **2,199,329** | 2,895,440 | **7,398,299** | 7,345,759 |
| Net income from ticket sales and related services | | **102,519** | 101,447 | **259,654** | 343,887 |
| Change in fair value of investments at fair value through profit or loss | | **(476,634)** | 705,791 | **(916,322)** | 705,791 |
| Share of results of associates and joint ventures | 10 | **859,056** | 3,937,026 | **4,529,952** | 10,203,472 |
| Interest income | | **94,243** | 41,110 | **274,001** | 125,615 |
| Other income | | **180,476** | 242,648 | **413,754** | 925,459 |
| | | **2,958,989** | 7,923,462 | **11,959,338** | 19,649,983 |
| **Expenses and other charges** | | | | | |
| Staff costs | | **(978,374)** | (917,666) | **(2,856,352)** | (2,336,964) |
| Sales and marketing expenses | | **(144,274)** | (166,955) | **(397,617)** | (489,240) |
| Other operating expenses and charges | | **(648,770)** | (1,214,284) | **(3,036,867)** | (3,403,501) |
| Depreciation & amortisation | | **(326,324)** | (267,631) | **(821,228)** | (619,373) |
| Finance costs | | **(444,551)** | (473,177) | **(1,384,921)** | (1,463,563) |
| | | **(2,542,293)** | (3,039,713) | **(8,496,985)** | (8,312,641) |
| **Profit for the period before taxation** | | **416,696** | 4,883,749 | **3,462,353** | 11,337,342 |
| Taxation | 7 | **31,880** | (79,936) | **(46,688)** | (1,695,920) |
| **Profit for the period from continuing operations** | | **448,576** | 4,803,813 | **3,415,665** | 9,641,422 |
| **Discontinued operations** | | | | | |
| (Loss)/profit for the period from discontinued operations | 5.2 | **-** | (1,330,036) | **-** | 9,770,919 |
| **Profit for the period** | | **448,576** | 3,473,777 | **3,415,665** | 19,412,341 |
| **Attributable to:** | | | | | |
| Owners of the Parent Company | | **196,590** | 2,430,920 | **2,740,600** | 16,807,665 |
| Non-controlling interests | | **251,986** | 1,042,857 | **675,065** | 2,604,676 |
| | | **448,576** | 3,473,777 | **3,415,665** | 19,412,341 |
| **Basic and diluted earnings/(losses) per share attributable to the owners of the Parent Company (Fils)** | | | | | |
| - From continuing operations | | **0.54 Fils** | 10.34 Fils | **7.53 Fils** | 19.34 Fils |
| - From discontinued operations | | | (3.66) Fils | **-** | 26.86 Fils |
| | 8 | **0.54 Fils** | 6.68 Fils | **7.53 Fils** | 46.20 Fils |

*The notes set out on pages 9 to 28 form an integral part of this interim condensed consolidated financial information.*

# Interim condensed consolidated statement of profit or loss and other comprehensive income

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD |
| Profit for the period | **448,576** | 3,473,777 | **3,415,665** | 19,412,341 |
| ***Other comprehensive (loss)/income:*** | | | | |
| ***Items that may be reclassified subsequently to consolidated statement of profit or loss:*** | | | | |
| Exchange differences arising from translation of foreign operations | **(29,628)** | 276,095 | **816,924** | (136,584) |
| **Total other comprehensive (loss)/income for the period** | **(29,628)** | 276,095 | **816,924** | (136,584) |
| **Total comprehensive income for the period** | **418,948** | 3,749,872 | **4,232,589** | 19,275,757 |
| **Attributable to:** | | | | |
| Owners of the Parent Company | **123,038** | 2,640,964 | **3,271,402** | 16,815,731 |
| Non-controlling interests | **295,910** | 1,108,908 | **961,187** | 2,460,026 |
| | **418,948** | 3,749,872 | **4,232,589** | 19,275,757 |

# Interim condensed consolidated statement of financial position

| | Note | 30 Sept. 2026 (Unaudited) KD | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Goodwill | | **1,186,050** | 1,177,269 | 1,174,054 |
| Property, plant and equipment | 9 | **13,803,813** | 12,120,046 | 11,651,803 |
| Right-of-use assets | | **118,404** | 626,082 | 714,484 |
| Investment properties | | **8,462,548** | 8,339,108 | 8,228,556 |
| Investment in associates and joint ventures | 10 | **114,986,756** | 109,372,777 | 106,786,166 |
| Accounts receivable and other assets | 11 | **3,007,373** | 3,007,110 | 5,003,172 |
| Net investment in sub-finance lease | | **-** | - | 394,320 |
| Investments at fair value through other comprehensive income | | **1,305,923** | 1,305,923 | 1,079,425 |
| **Total non-current assets** | | **142,870,867** | 135,948,315 | 135,031,980 |
| **Current assets** | | | | |
| Accounts receivable and other assets | 11 | **19,674,082** | 18,070,754 | 24,847,348 |
| Investments at fair value through profit or loss | 12 | **9,919,939** | 8,827,258 | 8,512,071 |
| Trading properties | | **10,819,455** | 9,211,065 | 8,555,090 |
| Net investment in sub-finance lease | | **558,722** | 1,107,903 | 1,193,422 |
| Cash and cash equivalents | 13 | **6,889,168** | 12,495,291 | 5,185,859 |
| **Total current assets** | | **47,861,366** | 49,712,271 | 48,293,790 |
| **Total assets** | | **190,732,233** | 185,660,586 | 183,325,770 |
| **Equity and Liabilities** | | | | |
| **Equity** | | | | |
| Share capital | 14 | **36,398,309** | 29,118,647 | 29,118,647 |
| Share premium | 14 | **246,011** | 246,011 | 246,011 |
| Treasury shares | 15 | **(246,011)** | (246,011) | (246,011) |
| Statutory and voluntary reserves | | **9,600,640** | 9,600,640 | 5,705,248 |
| Other components of equity | 16 | **(11,667,005)** | (12,197,807) | (12,879,546) |
| Retained earnings | | **20,225,653** | 24,764,715 | 26,850,409 |
| **Equity attributable to the owners of the Parent Company** | | **54,557,597** | 51,286,195 | 48,794,758 |
| Non-controlling interests | | **27,238,132** | 26,276,945 | 25,521,564 |
| **Total equity** | | **81,795,729** | 77,563,140 | 74,316,322 |

*The notes set out on pages 9 to 28 form an integral part of this interim condensed consolidated financial information.*

# Interim condensed consolidated statement of financial position (continued)

| | Note | 30 Sept. 2026 (Unaudited) KD | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|---|
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Borrowings | 17 | **8,521,899** | 6,367,091 | 5,900,975 |
| Lease liabilities | | **29,060** | 97,981 | 558,468 |
| Redeemable preference shares | | **3,547,933** | 3,387,945 | 3,339,648 |
| Advances received from customers | | **2,128,457** | 2,499,228 | 2,636,101 |
| Due to related parties | 20 | **5,944,685** | 6,084,294 | 7,710,957 |
| Deferred tax | | **1,449,286** | 1,621,285 | 1,419,498 |
| Provision for employees' end of service benefits | | **1,556,183** | 1,439,940 | 1,419,438 |
| **Total non-current liabilities** | | **23,177,503** | 21,497,764 | 22,985,085 |
| **Current liabilities** | | | | |
| Due to related parties | 20 | **52,404,384** | 55,639,155 | 55,322,748 |
| Accounts payable and other liabilities | 18 | **28,627,643** | 26,360,700 | 27,328,382 |
| Lease liabilities | | **597,568** | 1,313,618 | 1,215,310 |
| Borrowings | 17 | **3,605,880** | 2,748,389 | 1,516,775 |
| Advances received from customers | | **523,526** | 537,820 | 641,148 |
| **Total current liabilities** | | **85,759,001** | 86,599,682 | 86,024,363 |
| **Total liabilities** | | **108,936,504** | 108,097,446 | 109,009,448 |
| **Total equity and liabilities** | | **190,732,233** | 185,660,586 | 183,325,770 |

Talal Jassim Mohammed Al-Bahar
Vice-Chairman

*The notes set out on pages 9 to 28 form an integral part of this interim condensed consolidated financial information.*

# Interim condensed consolidated statement of changes in equity

| | Equity attributable to the owners of the Parent Company | | | | | | | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital KD | Share premium KD | Treasury shares KD | Statutory and voluntary reserves KD | Other components of equity KD | Retained earnings KD | Sub-total KD | KD | KD |
| **Balance as at 1 January 2026 (Audited)** | **29,118,647** | **246,011** | **(246,011)** | **9,600,640** | **(12,197,807)** | **24,764,715** | **51,286,195** | **26,276,945** | **77,563,140** |
| Issue of bonus shares (note 21) | **7,279,662** | - | - | - | - | **(7,279,662)** | - | - | - |
| Profit for the period | - | - | - | - | - | **2,740,600** | **2,740,600** | **675,065** | **3,415,665** |
| Total other comprehensive income for the period | - | - | - | - | **530,802** | - | **530,802** | **286,122** | **816,924** |
| Total comprehensive income for the period | - | - | - | - | **530,802** | **2,740,600** | **3,271,402** | **961,187** | **4,232,589** |
| **Balance as at 30 September 2026 (Unaudited)** | **36,398,309** | **246,011** | **(246,011)** | **9,600,640** | **(11,667,005)** | **20,225,653** | **54,557,597** | **27,238,132** | **81,795,729** |
| **Balance as at 1 January 2025 (Audited)** | 22,928,069 | 246,011 | (246,011) | 5,705,248 | (12,887,612) | 16,233,322 | 31,979,027 | 37,702,734 | 69,681,761 |
| Issue of bonus shares (note 21) | 6,190,578 | - | - | - | - | (6,190,578) | - | - | - |
| Arising on disposal of subsidiary | - | - | - | - | - | - | - | (14,641,196) | (14,641,196) |
| Profit for the period | - | - | - | - | - | 16,807,665 | 16,807,665 | 2,604,676 | 19,412,341 |
| Total other comprehensive loss for the period | - | - | - | - | 8,066 | - | 8,066 | (144,650) | (136,584) |
| Total comprehensive income for the period | - | - | - | - | 8,066 | 16,807,665 | 16,815,731 | 2,460,026 | 19,275,757 |
| **Balance as at 30 September 2025 (Unaudited)** | 29,118,647 | 246,011 | (246,011) | 5,705,248 | (12,879,546) | 26,850,409 | 48,794,758 | 25,521,564 | 74,316,322 |

*The notes set out on pages 9 to 28 form an integral part of this interim condensed consolidated financial information.*

# Interim condensed consolidated statement of cash flows

| | Note | Nine months ended 30 Sept. 2026 (Unaudited) KD | Nine months ended 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| **Profit for the period** | | **3,415,665** | 19,412,341 |
| Adjustments: | | | |
| Depreciation and amortisation | | **821,228** | 1,534,413 |
| Finance costs | | **1,384,921** | 1,463,563 |
| Share of results of associates and joint ventures | | **(4,529,952)** | (10,203,472) |
| Gain on disposal of a subsidiary | 5 | **-** | (9,141,000) |
| Interest income | | **(274,001)** | (125,615) |
| Provision charge for employees' end of service benefits | | **263,542** | 219,906 |
| | | **1,081,403** | 3,160,136 |
| **Changes in operating assets and liabilities:** | | | |
| Investments at fair value through profit or loss | | **(1,018,403)** | (1,330,036) |
| Accounts receivable and other assets | | **(1,603,591)** | (4,545,765) |
| Trading properties | | **(1,434,139)** | (2,339,452) |
| Due to related parties | | **(3,374,380)** | 6,076,479 |
| Accounts payable and other liabilities | | **2,422,068** | 2,347,931 |
| Advances received from customers | | **(385,065)** | (75,259) |
| **Net cash (used in)/from operating activities** | | **(4,312,107)** | 3,294,034 |
| Payment of employees' end of service benefits | | **(155,686)** | (81,403) |
| **Net cash (used in)/from operating activities** | | **(4,467,793)** | 3,212,631 |
| **INVESTING ACTIVITIES** | | | |
| Additions to property, plant and equipment | | **(2,157,229)** | (917,206) |
| Proceeds from net investment in sub-finance lease | | **556,176** | 779,526 |
| Net cash outflow on disposal of a subsidiary | 5 | **-** | (2,817,208) |
| Movement in investment in associates | | **(147,178)** | (77,655) |
| Interest income received | | **274,001** | 72,786 |
| **Net cash used in investing activities** | | **(1,474,230)** | (2,959,757) |
| **FINANCING ACTIVITIES** | | | |
| Net increase/(decrease) in borrowings | | **2,526,208** | (1,014,007) |
| Repayment of lease liabilities | | **(1,354,957)** | (1,027,048) |
| Finance costs paid | | **(1,005,850)** | (1,082,896) |
| **Net cash from/(used in) financing activities** | | **165,401** | (3,123,951) |
| Decrease in cash and cash equivalents | | **(5,776,622)** | (2,871,077) |
| Cash and cash equivalents at beginning of the period | 13 | **12,061,330** | 7,623,519 |
| **Cash and cash equivalents at end of the period** | 13 | **6,284,708** | 4,752,442 |

*The notes set out on pages 9 to 28 form an integral part of this interim condensed consolidated financial information.*

# Notes to the interim condensed consolidated financial information

## 1 Incorporation and activities

IFA Hotels and Resorts was established as a limited liability company on 19 July 1995, under the name "Offset Consulting and Project Management Company – WLL – Najwa Ahmed Abdelaziz Al-Qatami and Partners". On 14 May 2005, the Company's name and legal status were changed to IFA Hotels and Resorts – KPSC. The Parent Company's shares are listed on Boursa Kuwait.

IFA Hotels and Resorts – KPSC ("the Parent Company") and its subsidiaries are collectively referred to as ("the Group").

The Parent Company is principally engaged in the following:

- Developing, managing and marketing hotels and resorts.
- Purchasing, selling and development of real estate and land on behalf of the company within or outside the State of Kuwait. In addition, managing trust holdings, as well as trading private residential plots, in a manner that is not in violation of the laws relevant to these activities and their respective provision.
- Holding, purchasing, and selling shares and bonds of real estate companies based both in Kuwait and outside Kuwait, solely for the company's benefit and purposes.
- Providing and presenting studies and consultations on all types of real estate issues, subject to the relevant conditions required of these services.
- Performing maintenance services relating to buildings and real estate owned by the company including all types of maintenance work and the implementation of civil, mechanical, electrical, elevator and air conditioning related works whose purpose it is to preserve these buildings and to ensure their well-being.
- Organizing private real estate exhibitions to promote the real estate company's projects, in accordance with the ministry's regulations.
- Preparing real estate auctions.
- Holding and managing commercial and residential complexes.
- Utilization of excess cash in the company's possession by investing in financial and real estate portfolios which are managed by specialized and professional parties.
- Direct participation in the establishment of building foundations for residential, commercial, maintenance, touristic, urban, and athletic buildings and projects using the "Build-Operate-Transfer" (BOT) method and using BOT to manage the real estate location either for the company's, or other parties, benefit.
- The Company is also permitted to subscribe and have interests in any activities of parties that are performing similar activities or that otherwise will help the company realize its objectives within or outside Kuwait. The company is permitted to participate in construction, to cooperate in joint ventures, or to purchase these parties either fully or partially.
- The Company conducts its business in accordance with Islamic Sharia and must adhere to the provisions of Islamic Sharia in all its transactions. The Company is bound in the practice of its business by the teachings and provisions of the tolerant Islamic Sharia, and under no circumstances may any of the aforementioned objectives be interpreted as permitting the Company to engage, directly or indirectly, in any usurious activities, whether in the form of interest or any other form (note 21).

# Notes to the interim condensed consolidated financial information (continued)

## 1 Incorporation and activities (continued)

The address of the Parent Company's registered office is Souk Al-Kuwait Building Block A, Floor 8, Darwazat Al-Abdulrazzak, State of Kuwait.

The Board of Directors of the Parent Company approved this interim condensed consolidated financial information for the nine months period ended 30 September 2026 for issuance on 29 October 2026.

## 2 Basis of preparation, presentation and fundamental accounting concept

### 2.1 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2026 has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The annual consolidated financial statements for the year ended 31 December 2025 were prepared in accordance with the IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

This interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

This interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the IFRS Accounting Standards. In the opinion of the Parent Company's 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 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026. For further details, refer to the consolidated financial statements and their disclosures for the year ended 31 December 2025.

### 2.2 Fundamental accounting concept

As at 30 September 2026, the Group's current liabilities exceeded its current assets by KD37,897,635 (31 December 2025: KD36,887,411 and 30 September 2025: KD37,730,573). The current liabilities include instalments of borrowings of KD3,605,880 (31 December 2025: KD2,748,389 and 30 September 2025: KD1,516,775) which are contractually due within 12 months from the end of the reporting period, and due to related parties of KD52,404,384 (31 December 2025: KD55,639,155 and 30 September 2025: KD55,322,748) of which majority do not have any specific repayment terms.

The interim condensed consolidated financial information has been prepared on a going concern basis, which assumes that the Group will be able to meet the mandatory repayment terms of the borrowings taking into consideration the following assumptions:

- The Group has generated a net profit of KD3,415,665 for the nine-month period ended 30 September 2026.
- Expected future operating cash inflows from ongoing projects and operations.
- Dividends and equity release from joint ventures projects to be completed within next 12 months.
- The Group's ability to refinance or reschedule existing borrowings, including successful restructuring achieved in prior periods
- The availability of funding support and flexibility in settlement of related party balances

# Notes to the interim condensed consolidated financial information (continued)

## 2 Basis of preparation and presentation and fundamental accounting concept (continued)

### 2.2 Fundamental accounting concept (continued)

As described above, management has a reasonable expectation that the Group has taken measures and has adequate resources to continue its operations for the foreseeable future. Accordingly, this interim condensed consolidated financial information has been prepared on a going concern basis.

Had the going concern basis not been used, adjustments would be made relating to the recoverability of recorded asset amounts or to the amount of liabilities to reflect the fact that the Group may be required to realize its assets and extinguish its liabilities other than in the normal course of business, at amounts different from those stated in the interim condensed consolidated financial information.

## 3 Changes in accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025 except for the adoption of the amendments to the IFRS Accounting Standards effective as of 1 January 2026 as described in Note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### 3.1 New and amended IFRS Accounting Standards adopted by the Group

The following amendments to IFRS Accounting Standards were effective for the current period:

**IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments - Amendments**

The amendments to IFRS 7 and IFRS 9 address three change and are required to apply the amendments retrospectively without restating prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

a) Derecognition of a financial liability settled through electronic transfer whereby entities are permitted to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option would be required to apply it to all settlements made through the same electronic payment system.

b) Classification of financial assets based on a) contractual terms that are consistent with basic lending arrangements, b) assets with non-recourse description has been enhanced to include a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets, and c) contractually linked instruments have been clarified, and

c) Disclosures relating to a) financial assets at FVTOCI where entities are required to disclose fair value gain or loss separately for financial assets derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period, and b) contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

# Notes to the interim condensed consolidated financial information (continued)

## 3 Changes in accounting policies (continued)

### 3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

**Annual Improvements to IFRS Accounting Standards – volume 11**
The annual improvement project updates a number of standards primarily providing clarifications and removing inconsistencies.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

## 4 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, 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 judgements 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 annual audited consolidated financial statements as at and for the year ended 31 December 2025.

## 5 Disposal of a subsidiary and discontinued operations

### 5.1 Disposal of a subsidiary

During the previous year, the Group entered into a share purchase agreement with AIM Hospitality (Cayman) Limited for the sale of its subsidiary, IFA Hotels and Resorts 1 (UAE). The share purchase agreement was executed, and control was transferred on 31 March 2025.

In the interim condensed consolidated financial information for the nine months ended 30 September 2025, the gain on disposal was reported based on the information available at that date and amounted to KD9,141,000 and profit from discontinued operations amounted to KD9,770,919.

### 5.2 Discontinued operations

Profit from discontinued operations comprises of the following:

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD |
| Gain on disposal of a subsidiary (5.1) | - | (1,330,036) | - | 9,141,000 |
| Profit for the period | - | - | - | 629,919 |
| | - | (1,330,036) | - | 9,770,919 |

# Notes to the interim condensed consolidated financial information (continued)

## 6 Revenue

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD |
| Property development | **434,273** | 467,626 | **669,325** | 684,021 |
| Hospitality operations | **1,093,387** | 1,036,826 | **3,673,146** | 4,353,118 |
| Property management (a) | **1,411,907** | 843,305 | **8,405,760** | 7,545,020 |
| Rental and leasing income | **566,997** | 631,397 | **1,878,811** | 1,673,829 |
| Project commissions and other income (b) | **1,195,713** | 3,197,772 | **1,272,686** | 3,230,045 |
| | **4,702,277** | 6,176,926 | **15,899,728** | 17,486,033 |

a) Property management includes acquisition and advisory income of KD1,397,191 earned for providing capital sourcing and fund-raising facilitation services to a related party, recognized upon fulfilment of the service at the time of fund commitment and deposit.

b) Project commissions and other income include an amount of KD948,169 (30 September 2025: KD2,933,493) arising from project commissions and related costs, representing commissions and staff costs charged to Qaryat Al Nakheel (a related party) under the project sales and management agreement entered into between the parties.

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD |
| Revenue recognised over time | **752,757** | 1,786,584 | **7,981,662** | 8,704,694 |
| Revenue recognised at a point in time | **3,949,520** | 4,390,342 | **7,918,066** | 8,781,339 |
| | **4,702,277** | 6,176,926 | **15,899,728** | 17,486,033 |

## 7 Taxation

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD |
| Taxation (reversal)/charge on overseas subsidiaries | **(40,781)** | (34,309) | **(82,051)** | 893,506 |
| Provision charge for KFAS | **1,647** | 25,108 | **27,873** | 185,644 |
| Provision charge for Zakat | **2,073** | 25,468 | **28,819** | 176,220 |
| Provision charge for National Labour Support Tax | **5,181** | 63,669 | **72,047** | 440,550 |
| | **(31,880)** | 79,936 | **46,688** | 1,695,920 |

# Notes to the interim condensed consolidated financial information (continued)

## 8 Basic and diluted earnings/(losses) per share attributable to the owners of the Parent Company

Basic and diluted earnings/(losses) per share is computed by dividing the profit/(loss) for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period as follows:

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD |
| **Profit/(loss) for the period attributable to owners of the Parent Company** | | | | |
| - From continuing operations (KD) | **196,590** | 3,760,956 | **2,740,600** | 7,036,746 |
| - From discontinued operations (KD) | **-** | (1,330,036) | **-** | 9,770,919 |
| | **196,590** | 2,430,920 | **2,740,600** | 16,807,665 |
| Weighted average number of shares outstanding during the period (excluding treasury shares) | **363,784,991** | 363,784,991 | **363,784,991** | 363,784,991 |
| **Basic and diluted earnings/(losses) per share attributable to owners of the Parent Company (Fils)** | | | | |
| - From continuing operations | **0.54 Fils** | 10.34 Fils | **7.53 Fils** | 19.34 Fils |
| - From discontinued operations | **-** | (3.66) Fils | **-** | 26.86 Fils |
| | **0.54 Fils** | 6.68 Fils | **7.53 Fils** | 46.20 Fils |

The basic and diluted earnings per share reported during the comparative period for the three-month and nine-month periods ended 30 September 2025 was 8.35 Fils and 57.75 Fils, respectively, before retroactive adjustments relating to bonus share issue (Note 21). There were no potential dilutive shares.

## 9 Property, plant and equipment

The movement in property, plant and equipment during the period/year is as follows:

| | **30 Sept. 2026 (Unaudited) KD** | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| Balance as at 1 January | **12,120,046** | 82,922,485 | 82,922,485 |
| Additions | **2,157,229** | 1,413,386 | 917,406 |
| Disposals - net | **-** | (1,012) | (200) |
| Arising on disposal of a subsidiary | **-** | (69,830,735) | (69,830,735) |
| Depreciation | **(585,399)** | (606,990) | (1,246,788) |
| Transfer to investment properties | **-** | (1,135,488) | (1,136,471) |
| Foreign exchange adjustment – net | **111,937** | (641,600) | 26,106 |
| | **13,803,813** | 12,120,046 | 11,651,803 |

# Notes to the interim condensed consolidated financial information (continued)

## 10 Investment in associates and joint ventures

| | 30 Sept. 2026 (Unaudited) KD | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| Investment in associates (10.1) | **11,128,401** | 11,075,076 | 11,042,660 |
| Investment in joint ventures (10.2) | **103,858,355** | 98,297,701 | 95,743,506 |
| | **114,986,756** | 109,372,777 | 106,786,166 |

### 10.1 Investment in associates

The movement in associates during the period/year is as follows:

| | 30 Sept. 2026 (Unaudited) KD | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| Balance as at 1 January | **11,075,076** | 11,553,982 | 11,553,982 |
| Share of results of associates | **(223,616)** | (2,421,727) | (822,199) |
| Increase in shareholders' loan | **147,178** | 106,612 | 77,655 |
| Reversal of expected credit losses | **-** | 1,363,124 | - |
| Foreign exchange adjustment | **129,763** | 473,085 | 233,222 |
| | **11,128,401** | 11,075,076 | 11,042,660 |

### 10.2 Investment in joint ventures

The movement in joint ventures during the period/year is as follows:

| | 30 Sept. 2026 (Unaudited) KD | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| Balance as at 1 January | **98,297,701** | 85,638,632 | 85,638,632 |
| Share of results of joint ventures (a) | **4,753,568** | 13,451,794 | 11,025,671 |
| Foreign exchange adjustment | **807,086** | (792,725) | (920,797) |
| | **103,858,355** | 98,297,701 | 95,743,506 |

a) This includes a share of profits of KD3,811,085 (31 December 2025: KD8,966,393 and 30 September 2025: KD6,976,357) from C Seventeen which is allocated between the joint venture partners based on terms and conditions of the Joint Venture agreement.

b) One of the investments in joint venture, C Sixteen, amounting to KD30,604,403, is subject to a settlement plan for amounts due to a related party (Note 20c).

# Notes to the interim condensed consolidated financial information (continued)

## 11 Accounts receivable and other assets

| | 30 Sept. 2026 (Unaudited) KD | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| **Financial assets:** | | | |
| Trade receivables | **15,497,927** | 13,686,551 | 16,252,164 |
| Provision for doubtful debts | **(188,119)** | (256,874) | (253,615) |
| | **15,309,808** | 13,429,677 | 15,998,549 |
| Receivable on sale of a subsidiary | **-** | 1,854,523 | 6,934,677 |
| Due from related parties (note 20) | **1,462,337** | 999,412 | 2,843,924 |
| Other financial assets | **2,050,016** | 2,874,574 | 2,142,864 |
| | **18,822,161** | 19,158,186 | 27,920,014 |
| **Non-financial assets:** | | | |
| Value Added Tax receivables | **321,790** | 322,808 | 269,388 |
| Deferred tax assets | **84,582** | 152,384 | 192,451 |
| Advance for purchase of investment (note 11.1) | **827,774** | - | - |
| Advances and prepayments (note 20) | **2,433,864** | 1,292,397 | - |
| Other non-financial assets | **191,284** | 152,089 | 1,468,667 |
| | **3,859,294** | 1,919,678 | 1,930,506 |
| Total accounts receivable and other assets | **22,681,455** | 21,077,864 | 29,850,520 |
| Less: current portion | **(19,674,082)** | (18,070,754) | (24,847,348) |
| Non-current portion | **3,007,373** | 3,007,110 | 5,003,172 |

11.1 On 23 June 2026, the Group, through its subsidiary IFA Hotels & Resorts FZE, entered into an investment participation agreement with Kuwait Real Estate Company KPSC, Kuwait ("Aqarat") and Al Koot Investments LLC, UAE ("Al Koot") in relation to the sale and purchase agreement entered into by Al Koot with a third party for the acquisition of a plot and development of the related project in Abu Dhabi, United Arab Emirates. Both Aqarat and Al Koot are related parties of the Group.

Under the sale and purchase agreement dated 15 June 2026 between Al Koot and the seller, Al Koot agreed to acquire a 66.6% beneficial interest in the plot for AED211,572,000 (equivalent to KD17,672,597), through a special purpose vehicle. Under the investment participation agreement, the Group's beneficial interest in the overall project is 20%, with the remaining 46.6% attributable to Al Koot. Accordingly, the Group's share of the purchase consideration amounts to AED63,535,135 (equivalent to KD5,307,086).

Al Koot paid the full initial instalment of AED33,000,000 to the seller on behalf of the investment arrangement. The Group's attributable share of this instalment is AED9,909,910 (equivalent to KD827,774) which is classified as advance and related liability has been recorded as due to related party (Note 20). The remaining consideration attributable to the Group amounting to AED53,625,225 (equivalent to KD4,479,312) is payable in accordance with the contractual terms and completion of certain legal formalities which are currently in progress.

## 12 Investments at fair value through profit or loss

This represents the Group's investment in a Hospitality Fund managed by AIM GP Sàrl (the General Partner), in which the Group participates as a Limited Partner (LP). As an LP, the Group holds a passive ownership interest with limited liability and no direct involvement in the management of the fund. The ultimate parent company of the General Partner has a common directorship with the Parent Company of the Group.

# Notes to the interim condensed consolidated financial information (continued)

## 12 Investments at fair value through profit or loss (continued)

The investment was acquired as part of the consideration received in connection with the disposal of a subsidiary (Note 5). The fair value of investment is categorised within Level 3 of the fair value hierarchy under IFRS 13 (Note 22.2) using NAV reported by the fund manager. The property is valued periodically by independent third-party valuators. The latest valuation was performed using the 'Profits Method' of valuation in line with RICS Valuation standards for hotels and other similar assets. Based on the NAV report as at September 30, 2026 there was a loss on fair value through profit or loss amounting to KD916,322.

During the current period, the Group and the fund manager agreed to settle the remaining amount of KD1,934,725 consideration payable to the Group by the fund arising from sale of IFA Hotels and Resorts 1 by receiving additional investment in the fund.

## 13 Cash and cash equivalents

| | 30 Sept. 2026 (Unaudited) KD | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| Cash and bank balances | **6,284,708** | 12,061,330 | 4,752,442 |
| Term deposits | **604,460** | 433,961 | 433,417 |
| **Cash and cash equivalents as per interim condensed consolidated statement of financial position** | **6,889,168** | 12,495,291 | 5,185,859 |
| Less: blocked deposits | **(604,460)** | (433,961) | (433,417) |
| **Cash and cash equivalents as per interim condensed consolidated statement of cash flows** | **6,284,708** | 12,061,330 | 4,752,442 |

## 14 Share capital and share premium

As of 30 September 2026, the authorized, issued and paid-up share capital of the Parent Company consists of 363,983,090 shares of 100 fils each (31 December 2025: 291,186,472 shares of 100 fils each and 30 September 2025: 291,186,472 shares of 100 fils each). All shares are in cash.

During the period, the Parent Company's share capital was increased by KD7,279,662 as a result of issuance of bonus shares (Note 21). The share capital increase was registered in the commercial register on 1 June 2026.

Share premium is not available for distribution.

## 15 Treasury shares

The Group holds treasury shares as follows:

| | 30 Sept. 2026 (Unaudited) KD | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| Number of shares | **198,099** | 158,261 | 158,261 |
| Percentage of issued shares | **0.05%** | 0.05% | 0.05% |
| Market value (KD) | **125,397** | 161,426 | 172,188 |
| Cost (KD) | **246,011** | 246,011 | 246,011 |

Share premium equivalent to the cost of treasury shares has been earmarked as non-distributable.

# Notes to the interim condensed consolidated financial information (continued)

## 16 Other components of equity

| | Cumulative changes in fair value KD | Foreign currency translation reserve KD | Total KD |
|---|---|---|---|
| **Balance as at 1 January 2026 (Audited)** | **146,152** | **(12,343,959)** | **(12,197,807)** |
| Arising on translation of foreign operations | **-** | **530,802** | **530,802** |
| **Balance as at 30 September 2026 (Unaudited)** | **146,152** | **(11,813,157)** | **(11,667,005)** |
| **Balance at 1 January 2025 (Audited)** | **(80,346)** | **(12,807,266)** | **(12,887,612)** |
| Arising on translation of foreign operations | **-** | **8,066** | **8,066** |
| **Balance at 30 September 2025 (Unaudited)** | **(80,346)** | **(12,799,200)** | **(12,879,546)** |

## 17 Borrowings

Borrowings represent terms loans and Islamic financing facilities as follows:

| | **30 Sept. 2026 (Unaudited) KD** | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| **Borrowings obtained in UAE** | | | |
| - Term loans - AED | **4,264,342** | 4,396,366 | 5,347,362 |
| - Islamic financing facilities – AED | **498,604** | 751,851 | - |
| - Bank overdraft – AED | **2,578,312** | 2,157,264 | 878,999 |
| | **7,341,258** | 7,305,481 | 6,226,361 |
| **Borrowings obtained in South Africa** | **4,786,521** | 1,809,999 | 1,191,389 |
| | **12,127,779** | 9,115,480 | 7,417,750 |
| Less: amounts due within one year | **(3,605,880)** | (2,748,389) | (1,516,775) |
| Amount due after more than one year | **8,521,899** | 6,367,091 | 5,900,975 |

The Group's borrowings comprise term loans, Islamic financing facilities and bank overdrafts obtained by subsidiaries in the United Arab Emirates and South Africa. These facilities are denominated primarily in AED and ZAR and carry variable interest/profit rates linked to EIBOR or other applicable market benchmarks.

Borrowings are measured at amortised cost and are repayable over agreed terms.

The facilities are secured by corporate guarantees, mortgages over certain properties, assignment of rental income and other customary collateral arrangements.

# Notes to the interim condensed consolidated financial information (continued)

## 18 Accounts payable and other liabilities

| | 30 Sept. 2026 (Unaudited) KD | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| **Financial liabilities:** | | | |
| Trade payables | **10,300,851** | 7,436,295 | 7,763,404 |
| Accruals | **1,691,374** | 1,388,465 | 2,097,290 |
| Deposits | **5,821,695** | 7,571,434 | 4,029,402 |
| Dividend payable | **163,818** | 163,818 | 508,818 |
| Provisions for taxation | **6,092,988** | 5,964,250 | 5,907,068 |
| Other payables | **3,262,431** | 3,650,714 | 5,919,131 |
| | **27,333,157** | 26,174,976 | 26,225,113 |
| **Non-financial liabilities:** | | | |
| Prepayments | **854,680** | 2,482 | 755,158 |
| VAT payable | **439,806** | 183,242 | 348,111 |
| | **1,294,486** | 185,724 | 1,103,269 |
| | **28,627,643** | 26,360,700 | 27,328,382 |

## 19 Segmental information

The Group's activities are concentrated in three main segments: property development, hospitality and investments and others. The segment's results are reported to the senior management in the Group. The following is the segments information, which conforms with the internal reporting presented to management:

| | Property development KD | Hospitality KD | Investments KD | Others/ Unallocated KD | Total KD |
|---|---|---|---|---|---|
| **For the three months ended 30 September 2026** | | | | | |
| Revenue | **1,207,975** | **1,093,387** | **2,400,915** | **-** | **4,702,277** |
| Segment gross profit | **831,339** | **528,756** | **839,234** | **-** | **2,199,329** |
| Net income from ticket sales and related services | **-** | **-** | **-** | **102,519** | **102,519** |
| Share of results of associates and joint ventures | **-** | **-** | **859,056** | **-** | **859,056** |
| Change in fair value of investment at fair value through profit or loss | **-** | **-** | **(476,634)** | **-** | **(476,634)** |
| Interest income | **-** | **-** | **-** | **94,243** | **94,243** |
| Other income | **-** | **-** | **-** | **180,476** | **180,476** |
| Staff costs | **(318,726)** | **(536,704)** | **(18,474)** | **(104,470)** | **(978,374)** |
| Sales and marketing expenses | **(58,383)** | **(85,891)** | **-** | **-** | **(144,274)** |
| Other operating expenses and charges | **(439,467)** | **(496,620)** | **297,266** | **(9,949)** | **(648,770)** |
| Depreciation | **(194,914)** | **(164,832)** | **34,178** | **(756)** | **(326,324)** |
| Finance costs | **(95,651)** | **(241,254)** | **(107,646)** | **-** | **(444,551)** |
| **Segment (loss)/profit for the period before taxation** | **(275,802)** | **(996,545)** | **1,426,980** | **262,063** | **416,696** |

# Notes to the interim condensed consolidated financial information (continued)

## 19 Segment information (continued)

| | Property development KD | Hospitality KD | Investments KD | Others/ Unallocated KD | Total KD |
|---|---|---|---|---|---|
| **For the nine months ended 30 September 2026** | | | | | |
| Revenue | **2,754,841** | **3,673,146** | **9,471,741** | **-** | **15,899,728** |
| Segment gross profit | **1,535,540** | **2,041,084** | **3,821,675** | **-** | **7,398,299** |
| Net income from ticket sales and related services | **-** | **-** | **-** | **259,654** | **259,654** |
| Share of results of associates and joint ventures | **-** | **-** | **4,529,952** | **-** | **4,529,952** |
| Change in fair value of investment at fair value through profit or loss | **-** | **-** | **(916,322)** | **-** | **(916,322)** |
| Interest income | **-** | **-** | **-** | **274,001** | **274,001** |
| Other income | **-** | **-** | **-** | **413,754** | **413,754** |
| Staff costs | **(1,121,646)** | **(1,361,867)** | **(71,952)** | **(300,887)** | **(2,856,352)** |
| Sales and marketing expenses | **(246,255)** | **(151,362)** | **-** | **-** | **(397,617)** |
| Other operating expenses and charges | **(1,622,391)** | **(888,406)** | **(441,160)** | **(84,910)** | **(3,036,867)** |
| Depreciation | **(336,093)** | **(483,177)** | **-** | **(1,958)** | **(821,228)** |
| Finance costs | **(398,315)** | **(667,366)** | **(319,240)** | **-** | **(1,384,921)** |
| **Segment (loss)/profit for the period before taxation** | **(2,189,160)** | **(1,511,094)** | **6,602,953** | **559,654** | **3,462,353** |
| **For the three months ended 30 September 2025** | | | | | |
| Revenue | 505,935 | 4,010,338 | 1,660,653 | - | 6,176,926 |
| Segment gross profit/(loss) | (69,625) | 1,857,162 | 1,107,903 | - | 2,895,440 |
| Net income from ticket sales and related services | - | - | - | 101,447 | 101,447 |
| Share of results of associates and joint ventures | - | - | 3,937,026 | - | 3,937,026 |
| Change in fair value of investment at fair value through profit or loss | - | - | 705,791 | - | 705,791 |
| Interest income | - | - | - | 41,110 | 41,110 |
| Other income | - | - | - | 242,648 | 242,648 |
| Staff costs | (320,237) | (440,890) | (16,967) | (139,572) | (917,666) |
| Sales and marketing expenses | (86,975) | (49,309) | - | (30,671) | (166,955) |
| Other operating expenses and charges | (260,255) | (424,500) | (513,450) | (16,079) | (1,214,284) |
| Depreciation | (79,456) | (159,941) | (27,742) | (492) | (267,631) |
| Finance costs | (123,963) | (218,474) | (106,707) | (24,033) | (473,177) |
| **Segment (loss)/profit for the period before taxation** | (940,511) | 564,048 | 5,085,854 | 174,358 | 4,883,749 |

# Notes to the interim condensed consolidated financial information (continued)

## 19 Segment information (continued)

| | Property development KD | Hospitality KD | Investments KD | Others/ Unallocated KD | Total KD |
|---|---|---|---|---|---|
| **For the nine months ended 30 September 2025** | | | | | |
| Revenue | 1,764,762 | 9,520,733 | 6,200,538 | - | 17,486,033 |
| Segment gross profit | 607,360 | 3,644,962 | 3,093,437 | - | 7,345,759 |
| Net income from ticket sale and related services | - | - | - | 343,887 | 343,887 |
| Share of results of associates and joint ventures | - | - | 10,203,472 | - | 10,203,472 |
| Change in fair value of investment at fair value through profit or loss | - | - | 705,791 | - | 705,791 |
| Interest income | - | - | - | 125,615 | 125,615 |
| Other income | - | - | - | 925,459 | 925,459 |
| Staff costs | (786,690) | (1,078,026) | (70,553) | (401,695) | (2,336,964) |
| Sales and marketing expenses | (246,940) | (150,865) | - | (91,435) | (489,240) |
| Other operating expenses and charges | (1,535,858) | (876,100) | (888,472) | (103,071) | (3,403,501) |
| Depreciation | (202,824) | (374,144) | (39,945) | (2,460) | (619,373) |
| Finance costs | (363,931) | (718,697) | (317,838) | (63,097) | (1,463,563) |
| **Segment (loss)/profit for the period before taxation** | (2,528,883) | 447,130 | 12,685,892 | 733,203 | 11,337,342 |
| **As at 30 September 2026** | | | | | |
| Segment assets | **15,464,479** | **23,620,351** | **150,790,426** | **856,977** | **190,732,233** |
| Segment liabilities | **(5,036,629)** | **(8,549,422)** | **(95,034,571)** | **(315,882)** | **(108,936,504)** |
| **Segment net assets** | **10,427,850** | **15,070,929** | **55,755,855** | **541,095** | **81,795,729** |
| **Other information:** | | | | | |
| Investment in associates and joint Ventures | | | | | **114,986,756** |
| Goodwill | | | | | **1,186,050** |
| Taxation | | | | | **(46,688)** |
| **As at 31 December 2025** | | | | | |
| Segment assets | 12,325,778 | 24,079,152 | 148,197,299 | 1,058,357 | 185,660,586 |
| Segment liabilities | (7,610,018) | (8,515,666) | (91,501,765) | (469,997) | (108,097,446) |
| **Segment net assets** | 4,715,760 | 15,563,486 | 56,695,534 | 588,360 | 77,563,140 |
| **Other information:** | | | | | |
| Investment in associates and joint ventures | | | | | 109,372,777 |
| Goodwill | | | | | 1,177,269 |
| Taxation | | | | | (1,073,317) |

# Notes to the interim condensed consolidated financial information (continued)

## 19 Segment information (continued)

| | Property development KD | Hospitality KD | Investments KD | Others/ Unallocated KD | Total KD |
|---|---|---|---|---|---|
| **As at 30 September 2025** | | | | | |
| Segment assets | 18,719,602 | 24,225,874 | 139,330,394 | 1,049,900 | 183,325,770 |
| Segment liabilities | (8,527,145) | (8,053,373) | (91,966,717) | (462,213) | (109,009,448) |
| **Segment net assets** | 10,192,457 | 16,172,501 | 47,363,677 | 587,687 | 74,316,322 |
| **Other information:** | | | | | |
| Investment in associates and joint ventures | | | | | 106,786,166 |
| Goodwill | | | | | 1,174,054 |
| Taxation | | | | | (1,695,920) |

## 20 Related party transactions

Related parties represent associates, directors and key management personnel of the Group, and other related parties such as major shareholders and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

Significant transactions and balances with related parties included in the consolidated financial statements are as follows:

| | **30 Sept. 2026 (Unaudited) KD** | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| ***Balances included in the interim condensed consolidated statement of financial position:*** | | | |
| Amounts due from related parties included in accounts receivable and other assets (note 11) | | | |
| - Advance for purchase of investment | **827,774** | - | - |
| - Due from joint ventures | **586,730** | 582,061 | 2,262,626 |
| - Due from others | **875,607** | 417,351 | 581,298 |
| | **2,290,111** | 999,412 | 2,843,924 |
| **Shareholders loan given to an associate - gross (included within investment in associate)** | **6,582,559** | 6,308,475 | 6,027,734 |
| **Redeemable preference shares** | **3,547,933** | 3,387,945 | 3,339,648 |
| **Amounts due to related parties:** | | | |
| - Due to major shareholders | **38,956,358** | 43,816,106 | 45,003,984 |
| - Due to others | **19,392,711** | 17,907,343 | 18,029,721 |
| | **58,349,069** | 61,723,449 | 63,033,705 |

# Notes to the interim condensed consolidated financial information (continued)

## 20 Related party transactions (continued)

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD | **30 Sept. 2026 (Unaudited) KD** | 30 Sept. 2025 (Unaudited) KD |
| ***Transactions included in interim condensed consolidated statement of profit or loss:*** | | | | |
| Revenue | **1,183,900** | 1,129,006 | **5,009,701** | 5,549,832 |
| Finance costs | **107,577** | 106,581 | **318,933** | 317,534 |
| **Key management compensation of the Group** | | | | |
| Long and short-term employees' benefits | **80,199** | 210,248 | **316,471** | 494,402 |
| Board of directors' remuneration (included in the other operating expenses and charges) | **-** | - | **-** | 45,000 |

a) The amounts due from related parties are interest free and have no specific repayment terms.

b) The Group holds an investment in a fund classified at FVTPL which is managed by a related party (Note 12).

c) The Board of Directors of the Parent Company, in their meeting held on 5 August 2026, considered various proposals to settle amounts due to International Financial Advisors Holding Company aggregating KD16,196,116 as at 30 September 2026. In addition to the previous plan announced on 10 February 2026 that involved transfer of ownership interest in IFA Kuwait Building General Trading & Contracting Company (which owns IFA Hotels & Resorts Limited (South Africa) and Zimbali Hotels & Resorts (South Africa)), the board now also approved to submit an alternative plan for transfer of ownership interest in C Sixteen Investments Limited (which owns C Sixteeen Limited, a joint venture). The value of the ownership interests to be transferred will be determined based on a fair valuation of the assets conducted by an independent specialised valuation firm.

d) Due to other related parties include the following:

- KD5,566,868 (31 December 2025: KD5,286,386 and 30 September 2025: KD5,200,838) payable on 30 September 2028 carrying fixed interest payable at maturity.
- KD1,560,834 (31 December 2025: KD1,470,980 and 30 September 2025: KD1,444,987) carrying fixed interest with no specific repayment terms.
- KD1,959,338 (31 December 2025: KD1,903,360 and 30 September 2025: KD1,884,629) carrying interest rate per annum with no specific repayment dates.
- KD10,305,671 (31 December 2025: KD9,246,617 and 30 September 2025: KD9,499,267) non-interest bearing with no specific repayment terms.

## 21 General Assembly of shareholders and dividends

The Annual General Assembly of the shareholders of the Parent Company held on 10 May 2026 approved the consolidated financial statements of the Group for the year ended 31 December 2025 and the boards of directors' proposal to issue 25% bonus shares (2025: 27% bonus shares) and an amount of KD 45,000 as remuneration to the Board of Directors for the year ended 31 December 2025.

# Notes to the interim condensed consolidated financial information (continued)

## 21 General Assembly of shareholders and dividends (continued)

The Extra-Ordinary General Assembly of the shareholders of the Parent Company held on 15 October 2025, approved the board of directors' proposal to conduct the activities of the Parent Company in accordance with Islamic Share'a, which was registered in the commercial register on 28 October 2025 (Note 1).

## 22 Fair value measurement

### 22.1 Fair value hierarchy

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

### 22.2 Fair value measurement of financial instruments

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position may also be categorized as follows:

| | **30 Sept. 2026 (Unaudited) KD** | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| **Financial assets:** | | | |
| ***At amortised cost:*** | | | |
| - Accounts receivable and other assets (Note 11) | **19,674,082** | 18,070,754 | 24,847,348 |
| - Net investment in sub-finance lease | **558,722** | 1,107,903 | 1,587,742 |
| - Shareholders' loan to an associate | **6,582,559** | 6,308,475 | 6,027,734 |
| - Cash and cash equivalents | **6,889,168** | 12,495,291 | 5,185,859 |
| | **33,704,531** | 37,982,423 | 37,648,683 |
| ***At fair value:*** | | | |
| - Investments at FVTPL | **9,919,939** | 8,827,258 | 8,512,071 |
| - Investments at FVTOCI | **1,305,923** | 1,305,923 | 1,079,425 |
| | **11,225,862** | 10,133,181 | 9,591,496 |
| | **44,930,393** | 48,115,604 | 47,240,179 |
| **Financial liabilities:** | | | |
| ***At amortised costs:*** | | | |
| - Borrowings | **12,127,779** | 9,115,480 | 7,417,750 |
| - Lease liabilities | **626,628** | 1,411,599 | 1,773,778 |
| - Redeemable preference shares | **3,547,933** | 3,387,945 | 3,339,648 |
| - Due to related parties | **58,349,069** | 61,723,449 | 63,033,705 |
| - Accounts payable and other liabilities (Note 18) | **27,333,157** | 26,174,976 | 26,225,113 |
| | **101,984,566** | 101,813,449 | 101,789,994 |

# Notes to the interim condensed consolidated financial information (continued)

## 22 Fair value measurement (continued)

### 22.2 Fair value measurement of financial instruments (continued)

Management considers that the carrying amounts of financial assets and financial liabilities, which are stated at amortised cost, approximate their fair values.

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated statement of financial information are grouped into the fair value hierarchy as follows:

| | Level 1 KD | Level 2 KD | Level 3 KD | Total KD |
|---|---|---|---|---|
| **30 September 2026 (unaudited)** | | | | |
| ***Investments at FVTPL*** | | | | |
| Foreign unquoted securities | - | - | **9,919,939** | **9,919,939** |
| ***Investments at FVTOCI*** | | | | |
| Local unquoted securities | - | - | **138,823** | **138,823** |
| Foreign unquoted securities | - | - | **1,167,100** | **1,167,100** |
| | - | - | **11,225,862** | **11,225,862** |
| **31 December 2025 (audited)** | | | | |
| Foreign unquoted securities | - | - | 8,827,258 | 8,827,258 |
| ***Investments at FVTOCI*** | | | | |
| Local unquoted securities | - | - | 138,823 | 138,823 |
| Foreign unquoted securities | - | - | 1,167,100 | 1,167,100 |
| | - | - | 10,133,181 | 10,133,181 |
| **30 September 2025 (unaudited)** | | | | |
| ***Investments at FVTPL*** | | | | |
| Foreign unquoted securities | - | - | 8,512,071 | 8,512,071 |
| ***Investments at FVTOCI*** | | | | |
| Local unquoted securities | - | - | 97,055 | 97,055 |
| Foreign unquoted securities | - | - | 982,370 | 982,370 |
| | - | - | 9,591,496 | 9,591,496 |

There have been no significant transfers between levels 1 and 2 during the reporting period.

**Measurement at fair value**

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

# Notes to the interim condensed consolidated financial information (continued)

## 22 Fair value measurement (continued)

### 22.2 Fair value measurement of financial instruments (continued)

**Measurement at fair value (continued)**
The method and valuation technique used for the purpose of measuring fair value is as follows:

**a) Foreign managed funds**
The valuation is based on net asset value (NAV) of the fund, which is primarily driven by the fair value of underlying property with the carrying value of other assets and liabilities estimated to approximate fair value. The property is valued periodically by independent external valuers. The latest valuation was performed using the 'Profits Method' in accordance with RICS Valuation standards for hotels and other similar assets.

**b) Unquoted shares**
These represent holdings in local and foreign unlisted securities which are measured at fair value. Fair value is estimated based on the net asset value reported in the latest available financial information, discounted cash flow model or other valuation technique which includes some assumptions that are not supportable by observable market prices or rates.

**Level 3 fair value measurements**
The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

| | **30 Sept. 2026 (Unaudited) KD** | 31 Dec. 2025 (Audited) KD | 30 Sept. 2025 (Unaudited) KD |
|---|---|---|---|
| **Investments at FVTPL** | | | |
| Balance at the beginning of the period/year | **8,827,258** | - | - |
| Additions during the year | **1,934,725** | 7,842,991 | 7,806,280 |
| Change in fair value | **(916,322)** | 1,010,179 | 705,791 |
| Foreign exchange adjustments | **74,278** | (25,912) | - |
| **Balance at the end of period/year** | **9,919,939** | 8,827,258 | 8,512,071 |
| **Investments at FVTOCI** | | | |
| Balance at the beginning of the period/year | **1,305,923** | 1,079,425 | 1,079,425 |
| Change in fair value | **-** | 226,498 | - |
| **Balance at the end of period/year** | **1,305,923** | 1,305,923 | 1,079,425 |

## 23 Legal case

Certain Group entities are respondents in joint arbitration proceedings initiated by a real estate developer, a building contractor and an individual in connection with the termination of contractual arrangements relating to a construction project. The claimants are seeking compensation for alleged losses and damages arising from the termination. The Group disputes the claims and maintains that the relevant contractual obligations were not fulfilled by the claimants. The evidentiary hearing was completed in May 2026 and closing submissions were filed in June 2026. The proceedings are currently awaiting the final award of the arbitrator.

# Notes to the interim condensed consolidated financial information (continued)

## 23 Legal case (continued)

Based on the assessment of management and the Group's external legal adviser, the Group considers that it has good prospects of successfully defending the claims. Accordingly, no provision has been recognized in this interim condensed consolidated financial information. However, the ultimate outcome of the proceedings remains uncertain. Certain details required in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, are not disclosed to prevent any potential prejudice to the litigation outcome.

## 24 Geopolitical developments and related uncertainties

The Group operates in the property development, hospitality, property management and investment sectors across various geographical markets that may be affected by geopolitical developments in the Middle East and other international markets. Such developments may result in volatility in real estate and financial markets, tourism and hospitality activity, commodity and energy prices, foreign exchange rates, financing costs and regional supply chains.

Management has assessed the potential impact of these developments on the Group's operations, financial position and future cash flows, taking into consideration nature of its business activities, with particular consideration given to:

- the valuation and recoverability of the Group's financial and non-financial assets;
- potential disruption to the Group's property development, hospitality and property management operations, supply chains and contractual obligations;
- changes in real estate market conditions, cost escalations, tourism and hospitality activity, customer demand and counterparty credit risk; and
- the Group's liquidity, financing arrangements and exposure to market risks.

At the reporting date, management has reviewed the carrying amounts of the Group's financial and non-financial assets and considered whether current conditions indicate any impairment or require changes to related estimates. Relevant valuation assumptions, cash flow forecasts and expected credit loss assessments have been reviewed and updated, where appropriate, to reflect conditions existing at the reporting date. Some markets relevant to the Group's business remain volatile and asset carrying amounts remain sensitive to market fluctuations.

As at the reporting date, the Group has not experienced any material disruption to its principal operations. Management has not identified any additional impairment losses, inventory write-downs or credit loss allowances arising from these developments beyond the amounts recognised in this interim condensed consolidated financial information.

The Group continues to maintain adequate liquidity through its available cash resources, operating cash flows and access to banking facilities. Management has assessed the Group's forecast funding requirements, debt obligations and compliance with financing arrangements and has not identified any material constraints on the Group's ability to meet its obligations as they fall due.

Management has also considered the potential impact of geopolitical developments on the Group's ability to continue as a going concern and concluded that the going concern basis of preparation remains appropriate.

The geopolitical environment remains subject to change, and its ultimate impact cannot be determined with certainty. Management will continue to monitor developments and will recognise or disclose any material effects in the future reporting periods, as appropriate.

# Notes to the interim condensed consolidated financial information (continued)

## 25 Comparative amounts

Certain comparative amounts have been reclassified to conform to the presentation in the current period. Such reclassification does not affect previously reported net assets, net equity, net results for the year or net increase in cash and cash equivalents.

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