AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2026
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of
Al Argan International Real Estate Company - K.S.C.P.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Argan International Real Estate Company - K.S.C.P. ("the Parent Company") and its subsidiaries (collectively "the Group") as at September 30, 2026, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three and nine months period then ended, interim condensed consolidated statements of changes in equity and cash flows for the nine months period then ended. Management of the Parent Company 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.

Emphasis of a Matter

We draw attention to (Notes 5 and 7 (a)) to the interim condensed consolidated financial information, which describes that accrued interest payable to the Group's main lending bank amounting to KD 4,263,000 as at September 30, 2026, originally due on April 15, 2026, has been extended to July 15, 2026 then to October 4, 2026 and subsequently to October 21, 2026, pursuant to letters received from the lending bank, and the arrangements made by management to settle this interest. Our conclusion is not modified in respect of this matter.

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.

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Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account 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, and its Executive Regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association during the nine-month period ended September 30, 2026, that might have had a material effect on the Parent Company's financial position or result of its operations.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority and its related executive regulations during the period ended September 30, 2026, that might have had a material effect on the Parent Company's financial position or result of its operations.

Nayef M. Al Bazie
License No. 91-A
RSM Albazie & Co.

State of Kuwait
October 20, 2026

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

ASSETS	Notes	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Current assets:				
Cash on hand and at banks		**1,434,234**	1,403,636	2,286,092
Contract assets		**384,952**	224,876	370,665
Accounts receivable and other debit balances		**11,978,383**	10,081,704	10,001,839
Due from related parties	3	**14,128,252**	14,738,304	13,983,681
Properties held for trading		**12,763,638**	12,091,837	13,296,041
Inventory		**284,343**	271,083	275,098
Total current assets		**40,973,802**	38,811,440	40,213,416
Non-current assets:				
Accounts receivable and other debit balances		**250,000**	1,000,000	1,250,000
Financial assets at fair value through other comprehensive income		**30,574**	156,674	160,821
Investment in associates and joint venture		**59,084,081**	58,277,078	51,801,297
Investment properties	4	**95,995,868**	113,580,375	156,266,323
Intangible assets		**1**	1	1
Property, plant and equipment		**44,124,531**	45,878,867	6,312,479
Total non-current assets		**199,485,055**	218,892,995	215,790,921
Total assets		**240,458,857**	257,704,435	256,004,337
LIABILITIES AND EQUITY				
Current liabilities:				
Due to banks		**1,607,227**	3,298,658	3,423,640
Term loans	5	**1,004,598**	1,265,972	1,366,996
Murabaha contracts installments		**506,498**	629,222	653,249
Lease liabilities	6	**3,110,000**	3,257,500	4,360,000
Contract liability		**1,881,514**	1,276,680	1,483,097
Accounts payable and other credit balances	7	**27,779,173**	24,413,604	20,792,258
Due to related parties	3	**1,433,117**	1,487,387	1,702,000
Financial liability	8	**1,400,000**	-	-
Total current liabilities		**38,722,127**	35,629,023	33,781,240
Non-current liabilities:				
Term loans	5	**80,709,285**	81,023,910	81,259,353
Financial liability	8	**1,500,000**	11,775,328	11,760,230
Murabaha contracts installments		**-**	-	51,880
Lease liabilities	6	**51,864,819**	51,686,025	51,771,081
Provision for end of service indemnity		**2,957,646**	3,104,140	3,076,631
Total non-current liabilities		**137,031,750**	147,589,403	147,919,175
Total liabilities		**175,753,877**	183,218,426	181,700,415
Equity:				
Share capital	13	**32,065,000**	29,150,000	29,150,000
Share premium		**15,811,095**	15,811,095	15,811,095
Statutory reserve		**9,274,504**	9,274,504	9,274,504
Voluntary reserve		**5,162,322**	5,162,322	5,162,322
Cumulative changes in fair value		**(1,724,667)**	(1,598,567)	(1,594,420)
Foreign currencies translation reserve		**2,714,588**	2,600,555	2,560,333
Effect of changes in other comprehensive income of associates and joint venture		**(199,276)**	(198,553)	(40,317)
Retained earnings		**1,418,079**	13,734,379	13,407,086
Equity attributable to shareholders of the Parent Company		**64,521,645**	73,935,735	73,730,603
Non-controlling interests		**183,335**	550,274	573,319
Total equity		**64,704,980**	74,486,009	74,303,922
Total liabilities and equity		**240,458,857**	257,704,435	256,004,337

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

Khaled Khudair Mashaan Khudair Al-Mashaan
Chairman

Haitham Suliman Hamood Al-Khaled
Vice Chairman

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2026	2025	**2026**	2025
Net rental income	9	**801,485**	790,421	**2,671,171**	2,350,763
Net income from resorts	10	**457,327**	316,321	**1,156,143**	968,364
Net gain (loss) from projects and other activities	11	**54,548**	(205,985)	**(242,077)**	(405,582)
Share of results from associates and joint venture		**491,400**	(64,413)	**419,221**	(110,604)
Realized gain (loss) from the sale of investment properties	4	**-**	43,806	**(4,628,802)**	43,806
Gross profit (loss) from operations		**1,804,760**	880,150	**(624,344)**	2,846,747
General and administrative expenses		**(659,034)**	(732,176)	**(2,030,803)**	(2,008,565)
Depreciation and amortization		**(453,449)**	(5,908)	**(1,366,448)**	(17,949)
Net provision for expected credit losses		**(12,753)**	1,183	**(30,195)**	(25,254)
Profit (loss) from operations		**679,524**	143,249	**(4,051,790)**	794,979
Finance charges		**(1,694,283)**	(2,050,701)	**(5,467,314)**	(6,100,158)
Gain (loss) on sale of property, plant, and equipment		**55,559**	(1,650)	**117,426**	(564)
Other (expenses) income		**(2,591)**	6,014	**(2,194)**	22,931
Loss for the period		**(961,791)**	(1,903,088)	**(9,403,872)**	(5,282,812)
Attributable to:					
Shareholders of the Parent Company		**(961,072)**	(1,896,428)	**(9,401,300)**	(5,270,372)
Non-controlling interests		**(719)**	(6,660)	**(2,572)**	(12,440)
		(961,791)	(1,903,088)	**(9,403,872)**	(5,282,812)
Basic and diluted loss per share attributable to Shareholders of the Parent Company (Fils)	12	**(3.00)**	(5.91)	**(29.32)**	(16.44)

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	**2026**	2025
Loss for the period	**(961,791)**	(1,903,088)	**(9,403,872)**	(5,282,812)
Other comprehensive loss:				
Items that may be reclassified subsequently to the condensed consolidated statement of profit or loss:				
Exchange difference on translating foreign operations	**(1,052)**	(4,565)	**114,033**	(173,843)
Share of other comprehensive loss (income) of associates	**(560)**	(8)	**(723)**	204
Item that will not be reclassified subsequently to the condensed consolidated statement of profit or loss:				
Change in fair value of financial assets at fair value through other comprehensive income	**(21,797)**	(168,277)	**(126,100)**	(168,308)
Total other comprehensive loss for the period	**(23,409)**	(172,850)	**(12,790)**	(341,947)
Total comprehensive loss for the period	**(985,200)**	(2,075,938)	**(9,416,662)**	(5,624,759)
Attributable to:				
Shareholders of the Parent Company	**(984,481)**	(2,069,278)	**(9,414,090)**	(5,612,319)
Non-controlling interests	**(719)**	(6,660)	**(2,572)**	(12,440)
	(985,200)	(2,075,938)	**(9,416,662)**	(5,624,759)

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the Parent Company										
	Share capital	Share premium	Statutory reserve	Voluntary reserve	Cumulative changes in fair value	Foreign currencies translation reserve	Share of OCI of associates and JV	Retained earnings	Subtotal	Non-controlling interests	Total equity
Balance at January 1, 2026	29,150,000	15,811,095	9,274,504	5,162,322	(1,598,567)	2,600,555	(198,553)	13,734,379	73,935,735	550,274	74,486,009
Loss for the period	-	-	-	-	-	-	-	(9,401,300)	(9,401,300)	(2,572)	(9,403,872)
Other comprehensive (loss) income for the period	-	-	-	-	(126,100)	114,033	(723)	-	(12,790)	-	(12,790)
Total comprehensive (loss) income for the period	-	-	-	-	(126,100)	114,033	(723)	(9,401,300)	(9,414,090)	(2,572)	(9,416,662)
Bonus shares – 10% (Note 13)	2,915,000	-	-	-	-	-	-	(2,915,000)	-	-	-
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(364,367)	(364,367)
Balance as at September 30, 2026	**32,065,000**	**15,811,095**	**9,274,504**	**5,162,322**	**(1,724,667)**	**2,714,588**	**(199,276)**	**1,418,079**	**64,521,645**	**183,335**	**64,704,980**
Balance at January 1, 2025	26,500,000	15,811,095	9,274,504	5,162,322	(1,426,112)	2,734,176	(40,521)	21,327,458	79,342,922	585,759	79,928,681
Loss for the period	-	-	-	-	-	-	-	(5,270,372)	(5,270,372)	(12,440)	(5,282,812)
Other comprehensive (loss) income for the period	-	-	-	-	(168,308)	(173,843)	204	-	(341,947)	-	(341,947)
Total comprehensive (loss) income for the period	-	-	-	-	(168,308)	(173,843)	204	(5,270,372)	(5,612,319)	(12,440)	(5,624,759)
Bonus shares – 10% (Note 13)	2,650,000	-	-	-	-	-	-	(2,650,000)	-	-	-
Balance as at September 30, 2025	29,150,000	15,811,095	9,274,504	5,162,322	(1,594,420)	2,560,333	(40,317)	13,407,086	73,730,603	573,319	74,303,922

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

AL ARGAN INTERNATIONAL REAL ESTATE COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2026
(All amounts are in Kuwaiti Dinars)

	Notes	For the nine months ended September 30,	
		2026	2025
Cash flows from operating activities:			
Loss for the period		**(9,403,872)**	(5,282,812)
Adjustments:			
Group's share of results from associates and joint venture		**(419,221)**	110,604
Depreciation and amortization		**1,938,261**	650,690
Net provision for expected credit losses		**30,195**	25,254
Realized loss (gain) from the sale of investment properties	4	**4,628,802**	(43,806)
(Gain) loss from the sale of property, plant, and equipment		**(117,426)**	564
Finance charges		**5,467,314**	6,100,158
Provision for end of service indemnity		**230,614**	514,755
		2,354,667	2,075,407
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		**(1,380,102)**	3,808,489
Net movement on contract assets (liabilities)		**444,758**	243,356
Due from related parties		**215,227**	(77,090)
Properties held for trading		**(574,305)**	(51,605)
Inventory		**(13,260)**	(22,999)
Accounts payable and other credit balances		**1,135,526**	(2,138,465)
Cash flows generated from operations		**2,182,511**	3,837,093
KFAS Paid		**(10,000)**	(20,000)
Paid for end of service indemnity		**(377,108)**	(348,997)
Net cash flows generated from operating activities		**1,795,403**	3,468,096
Cash flows from investing activities:			
Dividends received from an associate		**3,926**	-
Proceeds from the sale of investment properties	4	**13,500,000**	2,716,090
Proceeds from the sale of property, plant, and equipment		**123,933**	6,370
Paid for investing in a joint venture		**(151,250)**	(624,680)
Paid for additions to investment properties		**(145,895)**	(699,257)
Paid for additions of property, plant, and equipment		**(190,432)**	(182,277)
Net cash flows generated from investing activities		**13,140,282**	1,216,246
Cash flows from financing activities:			
Net movement in due to banks		**20,569**	(52,042)
Net movement from loans		**(575,999)**	(799,750)
Net movement from murabaha contracts installments		**(122,724)**	(229,775)
Lease liabilities paid	6	**(2,007,500)**	(1,407,500)
Proceeds from financial liability	8	**1,400,000**	1,500,000
Cash dividends paid to non-controlling interests		**(364,367)**	-
Net movement in due to related parties		**(54,270)**	488,074
Payment of financial liability	8	**(10,500,000)**	-
Cash dividends paid to shareholders of the Parent Company		**(6,310)**	(460)
Finance charges paid		**(2,694,486)**	(3,418,383)
Net cash flows used in financing activities		**(14,905,087)**	(3,919,836)
Net increase in cash on hand and at banks		**30,598**	764,506
Cash on hand and at banks at the beginning of the period		**1,403,636**	1,521,586
Cash on hand and at banks at the end of the period		**1,434,234**	2,286,092

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

1. Incorporation and activities of the Parent Company

Al Argan International Real Estate Co. - K.S.C.P. (The Parent Company), was incorporated pursuant to the Memorandum of Incorporation of a Kuwaiti Shareholding Company (Closed), authenticated at the Ministry of Justice – Real Estate Registration and Authentication Department under Ref. No. 819/Volume 1 dated March 5, 2002, and its subsequent amendments, the latest of which was notarized in the commercial register on July 7, 2026. The Parent Company is registered in the commercial register under Ref. No. 88093 dated March 13, 2002.

The Parent Company is listed on Boursa Kuwait.

The Parent Company's registered address is P.O. Box 8904, Al-Salmiya 22060, State of Kuwait.

The interim condensed consolidated financial information was authorized for issue by the Parent Company's Board of Directors on October 20, 2026.

2. Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2025.

The Group has not early adopted any other standards, interpretations, or amendments that have been issued but are not yet effective. Other amendments and interpretations apply for the first time in 2026, but do not have an impact on the interim condensed consolidated financial information of the Group.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2025. In the opinion of management, all normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the period ended September 30, 2026, are not necessarily indicative of the results that may be expected for the year ending December 31, 2026.

During the year ended December 31, 2025, the Group amended the management agreement of one of its hospitality resorts to a brand usage agreement and transferred resort management to the Group's internal management team. As a result, the property ceased to meet the criteria for classification as investment property and was reclassified to property, plant and equipment at fair value on the transfer date of KD 40,105,514, and is subsequently measured using the cost model over the remaining lease term of 23 years. Accordingly, the comparative amounts presented as at September 30, 2025, for investment properties and for property, plant and equipment are not directly comparable with the corresponding amounts as at September 30, 2026, and December 31, 2025.

Comparative amounts have not been restated, as the reclassification results from a change in use applied prospectively.

3. Related parties' disclosures

The Group entered into various transactions with related parties in the normal course of its business (i.e., associates, joint venture, key management personnel, and other related parties). Prices and terms of payment are approved by the Group's management. Finance charges represent interest on the financial liability due to key management personnel (Note 8). During the period, a party related to the Chairman of the Parent Company was a co-seller under the arrangement disclosed in Note 8.

Related parties' transactions and balances are as follows:

Balances included in the interim condensed consolidated statement of financial position:

	September 30, 2026					
	Associates and joint venture	**Key management personnel**	**Other related parties**	**Total**	December 31, 2025 (Audited)	September 30, 2025
Receivables and other debit balances	**94,821**	**-**	**-**	**94,821**	94,821	94,821
Due from related parties	**14,281,013**	**93,279**	**251,095**	**14,625,387**	15,235,439	14,480,816
Less: provision for expected credit losses	**(497,135)**	**-**	**-**	**(497,135)**	(497,135)	(497,135)
Net due from related parties	**13,783,878**	**93,279**	**251,095**	**14,128,252**	14,738,304	13,983,681
Creditors and other credit balances	**-**	**-**	**-**	**-**	(8,000)	-
Due to related parties	**(1,433,117)**	**-**	**-**	**(1,433,117)**	(1,487,387)	(1,702,000)
Financial liability (Note 8)	**-**	**(1,000,000)**	**-**	**(1,000,000)**	(1,000,000)	(1,000,000)

Transactions included in the interim condensed consolidated statement of profit or loss:

	For the three months ended September 30, 2026			
	Associates and joint venture	**Key management personnel**	**Total**	For the three months ended September 30, 2025
Projects revenue	**59,383**	**-**	**59,383**	132,173
Rental cost	**-**	**-**	**-**	(2,625)
Projects cost	**(59,383)**	**-**	**(59,383)**	(132,173)
General and administrative expenses	**-**	**-**	**-**	(17,000)
Finance charges	**-**	**(25,000)**	**(25,000)**	-
Total Cost	**(59,383)**	**(25,000)**	**(84,383)**	(151,798)

	For the nine months ended September 30, 2026			
	Associates and joint venture	**Key management personnel**	**Total**	For the nine months ended September 30, 2025
Projects revenue	**194,856**	**-**	**194,856**	589,585
Rental cost	**-**	**-**	**-**	(7,875)
Projects cost	**(194,856)**	**-**	**(194,856)**	(382,699)
General and administrative expenses	**-**	**-**	**-**	(51,000)
Finance charges	**-**	**(75,000)**	**(75,000)**	-
Total Cost	**(194,856)**	**(75,000)**	**(269,856)**	(441,574)

Compensation to key management personnel

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	**2026**	2025
Short term benefit	**143,385**	125,214	**430,194**	368,283
End of service indemnity	**8,391**	8,798	**25,474**	21,423
Committees' remuneration Non-independent Board of Directors	**3,750**	3,750	**11,250**	11,250
Committees' remuneration - Independent Board of Directors	**1,250**	-	**3,750**	5,750
	156,776	137,762	**470,668**	406,706

4. Investment properties

During the period ended September 30, 2026, an investment property was sold for a cash consideration of KD 13,500,000. The sale resulted in a realized loss on sale of KD 4,628,802 (in previous years, the Group recognized unrealized fair value gains of KD 6,153,000 in respect of the property), based on the investment property's carrying value of KD 17,730,402 and transaction costs of KD 398,400. This property was subject to a financing arrangement disclosed in Note (8 – A).

5. Term loans

During the period ended September 30, 2026, the Parent Company signed an amendment loan agreement with the main lending bank which was amounting to KD 80,500,000 that push the liquidity through the following changes:

- A financial liability granted from the lending bank, by financing an additional amount of KD 7,200,000 above the outstanding loan facility amount above mentioned (of which KD 1,400,000 being withdrawn (Note 8 – B)) in exchange for the transfer of ownership of partial investment in a joint venture to the lending bank, to be completed with the relevant authorities within 3 months from the date of signing the contract. The Parent Company retains an option to repurchase the investment within a period of one year at a price of 5.5% per annum above the financing amount granted to the Parent Company.
  Since the Parent Company retains substantially all of the risks and rewards of ownership of the investment during the repurchase option period, the transaction has been accounted for as a financing arrangement. The transaction does not represent actual sale under IFRS, but rather a financing arrangement within a financing facility.
- Decrease the loan interest rate to be 1.25% annually over the CBK rate instead of 1.5% annually over the CBK rate effective from April 15, 2026.
- Postpone all principal repayment to September 30, 2029.

Term loans are secured by certain assets of the Group, as disclosed in Note 12 to the consolidated financial statements for the year ended December 31, 2025.

Subsequent to the interim condensed consolidated financial information and based on the loan restructuring agreement dated October 14, 2024 the maturity of the loan interest due on April 15, 2026 had been extended to July 15, 2026, then to October 4, 2026, and subsequently to October 21, 2026, pursuant to an extension letter received from the lending bank on October 7, 2026 (Note 7– a).

6. Lease liabilities

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Balance at the beginning of the period/year	**54,943,525**	55,467,932	55,467,932
Finance charges	**2,038,794**	2,733,093	2,070,649
Paid during the period/year	**(2,007,500)**	(2,257,500)	(1,407,500)
Post-dated cheques	**-**	(1,000,000)	-
Balance at the end of the period/year	**54,974,819**	54,943,525	56,131,081

Analyzed as:

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Short term lease liabilities	**3,110,000**	3,257,500	4,360,000
Long-term lease liabilities	**51,864,819**	51,686,025	51,771,081
	54,974,819	54,943,525	56,131,081

- The average contract tenor is 25 years; the average effective interest rate is 5% for the period ended September 30, 2026.

7. Accounts payable and other credit balances

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Trade payables	**6,067,800**	5,268,065	6,426,498
Revenues and payments received in advance	**6,082,484**	4,039,694	2,820,498
Accrued expenses (a)	**8,805,094**	7,382,861	4,966,377
Retention to subcontractors	**2,310,213**	2,148,878	2,242,247
Post dated cheques	**-**	1,000,000	-
Rent deposits	**1,419,949**	1,412,433	1,339,141
Provision for maintenance	**421,010**	419,061	428,662
Provision for taxes	**705,131**	691,518	487,793
Accrued staff leave	**1,073,418**	1,090,631	1,104,792
Staff payables	**301,611**	351,741	367,114
Dividends payable	**111,022**	117,332	117,746
Zakat payable	**81,693**	81,693	81,693
KFAS payable	**185,513**	195,513	195,513
NLST payable	**214,235**	214,184	214,184
	27,779,173	24,413,604	20,792,258

(a) This balance includes accrued interest expense of KD 4,263,000 as at September 30, 2026. In the subsequent period to the accompanying interim condensed consolidated financial information date, the repayment date of the accrued interest originally due on April 15, 2026, has been extended to July 15, 2026, then to October 4, 2026 pursuant to a letter from the lending bank dated August 9, 2026, and subsequently to October 21, 2026 pursuant to a letter from the lending bank dated October 7, 2026 (Note 5). The Group is in the process of receiving the balance of KD 5,800,000 under the financing arrangement disclosed in Notes 5 and 8 – B, which management will apply to settle the accrued interest of KD 4,263,000 on its due date of October 21, 2026.

8. Financial liability

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
A- Financial liability granted at an interest rate of 6% per annum.	**-**	10,500,000	10,500,000
Less: unamortized commitment fees	**-**	(224,672)	(239,770)
Financial liability	**-**	10,275,328	10,260,230
B- Financial liability granted at an interest rate of 5.5% per annum	**1,400,000**	-	-
C- Financial liability granted at an interest rate of 10% per annum.	**1,500,000**	1,500,000	1,500,000
Total Financial liability	**2,900,000**	11,775,328	11,760,230

Analyzed as:

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Short term financial liability	**1,400,000**	-	-
Long-term financial liability	**1,500,000**	11,775,328	11,760,230
	2,900,000	11,775,328	11,760,230

A) A financial liability was granted by one of the Group's principal local lending banks, under which the Parent Company obtained financing of KD 10,500,000 in exchange for the transfer of ownership of an investment property located in the State of Kuwait to the lending bank, which was executed on December 23, 2024, with the relevant authorities. The Parent Company retained an option to repurchase the property within 30 months at a price 6% per annum above the financing amount granted to the Parent Company.

During the period ended September 30, 2026, the above investment property was sold for a cash consideration of KD 13,500,000, and the financial liability was settled (Note 4).

B) A financial liability granted from the lending bank, by financing an additional amount of KD 7,200,000 above the outstanding loan facility amount (of which KD 1,400,000 being withdrawn (Note 5)) in exchange for the transfer of ownership of partial investment in a joint venture to the lending bank (where the carrying value of the investment as of September 30, 2026, is KD 10,370,046), to be completed with the relevant authorities within 3 months from the date of signing the contract. The Parent Company retains an option to repurchase the investment within a period of one year at a price of 5.5% per annum above the financing amount granted to the Parent Company.

9. Net rental income

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	**2026**	2025
Rental revenues	**1,045,618**	1,047,103	**3,433,089**	3,443,589
Rental costs	**(244,133)**	(256,682)	**(761,918)**	(1,092,826)
	801,485	790,421	**2,671,171**	2,350,763

10. Net income from resorts

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	**2026**	2025
Resorts revenues	**2,099,947**	1,864,505	**6,033,956**	5,901,716
Resorts costs	**(1,642,620)**	(1,548,184)	**(4,877,813)**	(4,933,352)
	457,327	316,321	**1,156,143**	968,364

11. Net gain (loss) from projects and other activities

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	**2026**	2025
Supervision, development, and contracting revenues	**1,222,800**	2,310,931	**4,350,378**	9,172,881
Supervision, development, and contracting costs	**(1,155,695)**	(2,445,745)	**(4,415,940)**	(9,272,198)
	67,105	(134,814)	**(65,562)**	(99,317)
Revenue from medical, sports, and educational activities	**632,120**	576,281	**1,841,247**	1,629,471
Cost from medical, sports, and educational activities	**(644,677)**	(647,452)	**(2,017,762)**	(1,935,736)
	(12,557)	(71,171)	**(176,515)**	(306,265)
	54,548	(205,985)	**(242,077)**	(405,582)

12. Basic and diluted loss per share attributable to the Parent Company's Shareholders

Basic and diluted loss per share are calculated by dividing the loss for the period attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). There are no diluted shares expected to be issued. The information necessary to calculate the basic and diluted loss per share based on the weighted average number of outstanding shares during the period is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025 (Restated)	**2026**	2025 (Restated)
Loss for the period attributable to the Parent Company's Shareholders	**(961,072)**	(1,896,428)	**(9,401,300)**	(5,270,372)
Number of outstanding shares:				
Weighted average number of issued shares	**291,500,000**	265,000,000	**291,500,000**	265,000,000
Add: Bonus shares – 10%	**29,150,000**	55,650,000	**29,150,000**	55,650,000
Weighted average number of outstanding shares	**320,650,000**	320,650,000	**320,650,000**	320,650,000
Basic and diluted loss per share attributable to the Parent Company's Shareholders (Fils)	**(3.00)**	(5.91)	**(29.32)**	(16.44)

The weighted average number of outstanding shares for the comparative period of 2025 has been adjusted retrospectively to reflect the effect of a 10% bonus share issuance (Note 13), which the Ordinary and Extraordinary General Assembly of Shareholders approved on June 21, 2026. In accordance with the requirements of IAS 33, the loss per share for the comparative period has been restated. The basic and diluted loss per share before adjusting the weighted average number of shares due to the bonus share issuance for the three and nine-month periods ended September 30, 2025, amounted to 6.51 fils and 18.08 fils per share, respectively.

13. Parent Company's Shareholders' General Assembly

The Parent Company's annual Ordinary and Extraordinary General Assembly meeting held on June 21, 2026, approved the consolidated financial statements for the year ended December 31, 2025. The Ordinary and Extraordinary General Assembly also approved a bonus share distribution of 10% (10 shares for every 100 shares held) to the Shareholders registered as of July 20, 2026.

On July 7, 2026, the increase in the Parent Company's authorized, issued, and paid-up capital was registered in the commercial registry, from KD 29,150,000 to KD 32,065,000, i.e., by KD 2,915,000 through the issuance of bonus shares. Accordingly, Articles (5) of the Articles of Association and Article (6) of the Parent Company's Memorandum of Incorporation, both related to the share capital, were amended as follows:

Article before amendment:

The company's authorized, issued and paid-up share capital is KD 29,150,000 (twenty-nine million one hundred fifty thousand Kuwaiti Dinars), distributed over 291,500,000 shares with a nominal value of 100 Fils each, and all shares are in cash.

Article after amendment:

The company's authorized, issued and paid-up share capital is KD 32,065,000 (thirty-two million sixty-five thousand Kuwaiti Dinars), distributed over 320,650,000 shares with a nominal value of 100 Fils each, and all shares are in cash.

The Parent Company's annual General Assembly meeting held on May 12, 2025, approved the consolidated financial statements for the year ended December 31, 2024.

The Ordinary and Extraordinary General Assembly also approved a bonus share distribution of 10% (10 shares for every 100 shares held) to registered Shareholders registered as of the date approving the bonus shares, that was notarized in the Parent Company commercial registry on June 1, 2025.

14. Segment analysis

A. Segment analysis by activities:

The Group's activities are represented primarily in contracting and hotels and resorts activities, real estate investment and other activities as follows:

	Real estate investment and other activities		Contracting		Hotels and resorts		Total	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025	**September 30, 2026**	September 30, 2025	**September 30, 2026**	September 30, 2025
Revenues	**(825,251)**	3,846,922	**3,795,283**	8,215,862	**8,598,598**	8,267,182	**11,568,630**	20,329,966
Expenses	**(8,389,635)**	(9,673,383)	**(3,650,972)**	(8,395,012)	**(8,931,895)**	(7,544,383)	**(20,972,502)**	(25,612,778)
(Loss) profit for the period	**(9,214,886)**	(5,826,461)	**144,311**	(179,150)	**(333,297)**	722,799	**(9,403,872)**	(5,282,812)
Total assets	**137,258,454**	149,440,191	**6,306,038**	5,824,092	**96,894,365**	100,740,054	**240,458,857**	256,004,337
Total liabilities	**(113,884,260)**	(119,623,175)	**(6,969,160)**	(6,769,804)	**(54,900,457)**	(55,307,436)	**(175,753,877)**	(181,700,415)
Net assets	**23,374,194**	29,817,016	**(663,122)**	(945,712)	**41,993,908**	45,432,618	**64,704,980**	74,303,922

Segment assets and liabilities as at December 31, 2025 (Audited):

	Real estate investment and other activities	Contracting	Hotels and resorts	Total
	December 31, 2025	December 31, 2025	December 31, 2025	December 31, 2025
Total assets	153,471,214	5,354,215	98,879,006	257,704,435
Total liabilities	(120,660,643)	(6,404,589)	(56,153,194)	(183,218,426)
Net assets	32,810,571	(1,050,374)	42,725,812	74,486,009

B. Geographical segments:

The Group primarily operates inside and outside the State of Kuwait (Kingdom of Saudi Arabia, Kingdom of Bahrain, Morocco, Arab Republic of Egypt, Sultanate of Oman and Republic of Lebanon) as follows:

	Inside Kuwait		Outside Kuwait		Total	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025	**September 30, 2026**	September 30, 2025
Revenues	**11,510,598**	20,203,575	**58,032**	126,391	**11,568,630**	20,329,966
Expenses	**(20,880,599)**	(25,509,556)	**(91,903)**	(103,222)	**(20,972,502)**	(25,612,778)
(Loss) profit for the period	**(9,370,001)**	(5,305,981)	**(33,871)**	23,169	**(9,403,872)**	(5,282,812)
Total assets	**186,533,064**	199,535,340	**53,925,793**	56,468,997	**240,458,857**	256,004,337
Total liabilities	**(168,660,904)**	(176,460,145)	**(7,092,973)**	(5,240,270)	**(175,753,877)**	(181,700,415)
Net assets	**17,872,160**	23,075,195	**46,832,820**	51,228,727	**64,704,980**	74,303,922

Geographical assets and liabilities as at December 31, 2025 (Audited):

	Inside Kuwait	Outside Kuwait	Total
	December 31, 2025	December 31, 2025	December 31, 2025
Total assets	203,533,088	54,171,347	257,704,435
Total liabilities	(177,457,893)	(5,760,533)	(183,218,426)
Net assets	26,075,195	48,410,814	74,486,009

15. Contingent liabilities

The Group is contingently liable against the following:

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Letters of guarantee	**4,326,204**	4,327,954	5,595,067

The guarantees for contingent liabilities are the same as those for the term loans, as disclosed in Note 12 of the consolidated financial statements for the year ended December 31, 2025.

Contingent liabilities arising from the Parent's share in associates are as follows:

	September 30, 2026	December 31, 2025 (Audited)	September 30, 2025
Letter of guarantee	**3,546,649**	3,535,149	3,533,309

16. Fair value measurement

The Group measures its financial assets at fair value through other comprehensive income at the end of each reporting period.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

Financial assets at fair value through other comprehensive income for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents the Group's financial assets at fair value through other comprehensive income measured at fair value, by level of fair value hierarchy:

September 30, 2026:	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income	**30,574**	**-**	**30,574**
Investment properties	**43,133**	**57,353,252**	**57,396,385**
	73,707	**57,353,252**	**57,426,959**

December 31, 2025 (audited):	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	156,674	-	156,674
Investment properties	43,133	73,893,289	73,936,422
	199,807	73,893,289	74,093,096

September 30, 2025:	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	160,821	-	160,821
Investment properties	43,133	100,092,109	100,135,242
	203,954	100,092,109	100,296,063

During the period ended September 30, 2026, no transfers occurred between different levels of fair value measurement.

The movement of investment properties under level 3 for the period ended September 30, 2026 reflects disposals of KD 17,730,402 and additions of development costs of KD 145,895.

17. Significant event

On February 28, 2026, a military conflict arose in the Middle East, creating significant geopolitical uncertainty in the region.

This event could adversely affect the Group's business environment. Potential impacts include, but are not limited to, supply chain disruptions, higher energy costs, margin pressures, and heightened refinancing and credit risk.

Management is currently unable to determine with reasonable certainty the extent or duration of the conflict or its ultimate financial effect on the Group's accompanying interim condensed consolidated financial information. Management continues to monitor the market outlook and assess the potential impact, if any, of future developments.