Munshaat Real Estate Projects Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 2026

Shape the future with confidence

Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
Burj Alshaya, 16th & 17th Floor
Al Soor Street, Mirqab
Safat 13001, State of Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
https://www.ey.com

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF MUNSHAAT REAL ESTATE PROJECTS COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Munshaat Real Estate Projects Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") as at 30 September 2026, and the related interim condensed consolidated statement of profit or loss and the interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-month period then ended. The 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* ("IAS 34"). 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 IAS 34.

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, as amended, and its executive regulations, as amended, 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 of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority ("CMA") and organisation of security activity and its executive regulations, as amended, during the nine-month period ended 30 September 2026 that might have had a material effect on the business of the Parent Company or on its financial position.

BADER A. AL-ABDULJADER
LICENCE NO. 207
EY
AL-AIBAN, AL-OSAIMI & PARTNERS

ERNST & YOUNG
EY
Al Aiban Al Osaimi & Partners

8 November 2026
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 30 September 2026

	Notes	*Three months ended 30 September*		*Nine months ended 30 September*	
		2026	*2025*	***2026***	*2025*
		KD	*KD*	***KD***	*KD*
Operating revenue	4	**3,234,157**	2,893,702	**15,053,542**	14,856,829
Operating costs	4	**(2,525,369)**	(1,633,072)	**(8,209,254)**	(8,298,149)
Net results from hotel operations	4	**708,788**	1,260,630	**6,844,288**	6,558,680
Net income from Sukuk		**184,173**	337,161	**863,928**	1,061,782
Net income from investment properties	6.b	**357,414**	301,260	**940,743**	913,919
Income from wakala receivables		**14,818**	13,125	**48,437**	50,241
Unrealised gain from financial assets at fair value through profit or loss		**31,522**	86,939	**29,922**	133,945
Share of results of associates	7	**817,128**	151,264	**3,167,768**	2,502,863
Other income		**114,065**	94,959	**245,406**	364,377
General and administrative expenses		**(326,333)**	(252,548)	**(927,319)**	(851,906)
Depreciation of furniture and equipment		**(12,844)**	(13,494)	**(37,435)**	(39,901)
Management fees income	8	**162,168**	90,501	**541,362**	464,961
Finance costs on Islamic finance payables	8	**(369,910)**	(450,827)	**(1,106,983)**	(1,347,883)
Finance costs on lease obligations		**(200,136)**	(207,016)	**(599,289)**	(622,175)
Finance costs arising on the unwinding of discount on long-term provisions and liabilities		**-**	(29,589)	**-**	(119,819)
Net foreign exchange differences		**28,474**	(47,257)	**360,880**	(418,025)
Reversal of expected credit losses - net		**152,745**	1,937	**157,651**	14,344
PROFIT BEFORE TAX		**1,662,072**	1,337,045	**10,529,359**	8,665,403
Overseas taxation		**(1,252)**	(120)	**(29,545)**	(45,188)
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		**(14,437)**	(8,993)	**(92,524)**	(56,948)
National Labour Support Tax ("NLST")		**(21,269)**	(30,115)	**(196,684)**	(191,403)
Zakat		**(8,508)**	(12,046)	**(78,674)**	(76,561)
PROFIT FOR THE PERIOD		**1,616,606**	1,285,771	**10,131,932**	8,295,303
Attributable to:					
Equity holders of the Parent Company		**1,399,455**	1,167,813	**8,757,135**	7,563,261
Non-controlling interests		**217,151**	117,958	**1,374,797**	732,042
PROFIT FOR THE PERIOD		**1,616,606**	1,285,771	**10,131,932**	8,295,303
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	5	**4.35 Fils**	3.63 Fils	**27.20 Fils**	23.49 Fils

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2026

	Three months ended 30 September		*Nine months ended 30 September*	
	2026	*2025*	***2026***	*2025*
	KD	*KD*	***KD***	*KD*
PROFIT FOR THE PERIOD	**1,616,606**	1,285,771	**10,131,932**	8,295,303
Other comprehensive (loss) income				
Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	**(14,120)**	26,507	**(177,582)**	247,633
Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods	**(14,120)**	26,507	**(177,582)**	247,633
Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods:				
Net (loss) gain on equity instruments at FVOCI	**(23,610)**	134,756	**(6,967)**	261,543
Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods	**(23,610)**	134,756	**(6,967)**	261,543
Other comprehensive (loss) income for the period	**(37,730)**	161,263	**(184,549)**	509,176
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,578,876**	1,447,034	**9,947,383**	8,804,479
Attributable to:				
Equity holders of the Parent Company	**1,361,090**	1,319,989	**8,642,758**	7,973,959
Non-controlling interests	**217,786**	127,045	**1,304,625**	830,520
	1,578,876	1,447,034	**9,947,383**	8,804,479

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Munshaat Real Estate Projects Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2026

	Notes	*30 September 2026* KD	*(Audited) 31 December 2025* KD	*30 September 2025* KD
ASSETS				
Non-current assets				
Furniture and equipment		**108,993**	145,303	156,160
Right-of-use asset	6.a	**38,563,844**	40,101,205	40,008,425
Investment properties	6.b	**11,463,063**	11,645,920	11,811,215
Investment in associates	7	**13,550,266**	17,026,937	16,526,996
Investment securities		**716,506**	693,551	834,779
		64,402,672	69,612,916	69,337,575
Current assets				
Accounts receivable and prepayments		**19,954,960**	8,597,999	14,254,917
Trading properties		**439,199**	439,199	376,454
Wakala receivable		**720,000**	650,000	650,000
Bank balances and cash		**5,071,240**	4,865,675	5,874,007
		26,185,399	14,552,873	21,155,378
TOTAL ASSETS		**90,588,071**	84,165,789	90,492,953
EQUITY AND LIABILITIES				
Equity				
Share capital	9	**32,200,000**	32,200,000	32,200,000
Statutory reserve		**1,222,377**	1,222,377	-
Other reserve		**(309,291)**	(309,291)	(309,291)
Fair value reserve		**(1,747,596)**	(1,740,629)	(1,713,923)
Foreign currency translation reserve		**(492,912)**	(385,502)	(372,939)
Retained earnings		**17,874,130**	10,726,995	7,396,495
Equity attributable to equity holders of the Parent Company		**48,746,708**	41,713,950	37,200,342
Non-controlling interests		**(8,025,917)**	(9,330,542)	(9,347,831)
Total equity		**40,720,791**	32,383,408	27,852,511
Liabilities				
Non-current liabilities				
Employees' end of service benefits		**904,279**	833,836	829,051
Islamic finance payables	10	**23,249,160**	23,249,160	27,985,100
Obligations under finance lease		**11,518,612**	12,125,485	11,919,379
Accounts payable and accruals		**-**	-	4,615,055
		35,672,051	36,208,481	45,348,585
Current liabilities				
Islamic finance payables	10	**4,735,940**	4,735,940	4,735,940
Obligations under finance lease		**1,313,440**	1,339,040	1,337,280
Accounts payable and accruals		**8,145,849**	9,498,920	11,218,637
		14,195,229	15,573,900	17,291,857
Total liabilities		**49,867,280**	51,782,381	62,640,442
TOTAL EQUITY AND LIABILITIES		**90,588,071**	84,165,789	90,492,953

Nawaf Musaid Abdulaziz Al-Osaimi
Chairman

Sulaiman Ahmad Al-Mudhaf
Acting Chief Executive Officer

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2026

	Equity attributable to equity holders of the Parent Company								
	Share capital KD	***Statutory reserve KD***	***Other reserve KD***	***Fair value reserve KD***	***Foreign currency translation reserve KD***	***Retained earnings/ (accumulated losses) KD***	***Sub-total KD***	***Non-controlling interests KD***	***Total equity KD***
As at 1 January 2026	32,200,000	1,222,377	(309,291)	(1,740,629)	(385,502)	10,726,995	41,713,950	(9,330,542)	**32,383,408**
Profit for the period	-	-	-	-	-	8,757,135	8,757,135	1,374,797	**10,131,932**
Other comprehensive loss for the period	-	-	-	(6,967)	(107,410)	-	(114,377)	(70,172)	**(184,549)**
Total comprehensive (loss) income for the period	-	-	-	(6,967)	(107,410)	8,757,135	8,642,758	1,304,625	**9,947,383**
Dividends (Note 1)	-	-	-	-	-	(1,610,000)	(1,610,000)	-	**(1,610,000)**
At 30 September 2026	**32,200,000**	**1,222,377**	**(309,291)**	**(1,747,596)**	**(492,912)**	**17,874,130**	**48,746,708**	**(8,025,917)**	**40,720,791**
As at 1 January 2025	32,200,000	-	(309,291)	(1,975,466)	(522,094)	(166,766)	29,226,383	(10,178,351)	19,048,032
Profit for the period	-	-	-	-	-	7,563,261	7,563,261	732,042	8,295,303
Other comprehensive income for the period	-	-	-	261,543	149,155	-	410,698	98,478	509,176
Total comprehensive income for the period	-	-	-	261,543	149,155	7,563,261	7,973,959	830,520	8,804,479
At 30 September 2025	32,200,000	-	(309,291)	(1,713,923)	(372,939)	7,396,495	37,200,342	(9,347,831)	27,852,511

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 September 2026

	Notes	Nine months ended 30 September 2026 KD	2025 KD
OPERATING ACTIVITIES			
Profit before tax		**10,529,359**	8,665,403
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of furniture and equipment		**37,435**	39,901
Depreciation of right-of-use asset	6.a	**1,987,274**	2,290,364
Valuation loss on investment properties	6.b	**182,857**	184,145
Unrealised gain from financial assets at fair value through profit or loss		**(29,922)**	(133,945)
Reversal of expected credit losses – net		**(157,651)**	(14,344)
Income from wakala receivables		**(48,437)**	(50,241)
Share of results of associates	7	**(3,167,768)**	(2,502,863)
Finance costs on Islamic finance payables	8	**1,106,983**	1,347,883
Finance costs on lease obligations		**599,289**	622,175
Finance costs arising on the unwinding of discount on long-term provisions and liabilities		**-**	119,819
Net foreign exchange differences		**(360,880)**	418,025
Provision for employees' end of service benefits		**85,884**	65,273
		10,764,423	11,051,595
Working capital changes:			
Accounts receivable and prepayments		**(4,580,509)**	(5,969,720)
Accounts payable and accruals		**(1,628,554)**	(4,309,307)
Cash flows from operations		**4,555,360**	772,568
Employees' end of service benefits paid		**(15,467)**	(892)
Taxes paid		**(1,119,702)**	(483,150)
Net cash flows from operating activities		**3,420,191**	288,526
INVESTING ACTIVITIES			
Purchase of furniture and equipment		**(1,190)**	(3,081)
Additions to right-of-use asset	6.a	**(275,992)**	(363,946)
Income received from wakala receivables		**56,687**	58,216
Net movement in wakala receivables		**(70,000)**	(50,000)
Proceeds from capital redemption of financial assets at FVOCI		**-**	52,705
Proceeds from capital redemption of an associate		**-**	137,048
Net cash flows used in investing activities		**(290,495)**	(169,058)
FINANCING ACTIVITIES			
Net repayment of obligations under finance lease		**(1,335,640)**	(1,328,280)
Dividends paid		**(1,593,395)**	(1,634)
Net cash flows used in financing activities		**(2,929,035)**	(1,329,914)
NET INCREASE (DECREASE) IN BANK BALANCES AND CASH		**200,661**	(1,210,446)
Net foreign exchange difference		**4,904**	(6,758)
Bank balances and cash 1 January		**4,865,675**	7,091,211
BANK BALANCES AND CASH AT 30 SEPTEMBER		**5,071,240**	5,874,007
NON-CASH ITEMS EXCLUDED FROM THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS:			
Proceeds from capital redemption of associate (adjusted with "accounts receivable and prepayments")	7	**6,659,185**	-

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Munshaat Real Estate Projects Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") for the three-month and nine-month periods ended 30 September 2026 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 8 November 2026.

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved by the shareholders at the annual general assembly meeting ("AGM") held on 13 April 2026. The Board of Directors of the Parent Company in their meeting held on 12 February 2026, proposed a cash dividend of 5 fils per share (aggregating to KD 1,610,000) for the year ended 31 December 2025 (2024: KD Nil). This proposal was subsequently approved by the shareholders at the annual general assembly meeting ("AGM") held on 13 April 2026.

The Parent Company is a public shareholding company incorporated and domiciled in Kuwait and whose shares are publicly traded on Boursa Kuwait. The Parent Company's head office is located at SAMA Tower, Mezzanine floor, Mubarak Al Kabeer Street, Sharq and its registered postal address is P.O. Box 1393, Dasman 15464, Kuwait.

The Ultimate Parent Company of Munshaat Real Estate Projects Company K.S.C.P. is Aref Investment Group S.A.K. ("Aref"), a closed shareholding company incorporated and domiciled in Kuwait.

The Group is principally engaged in real estate activities and operations in accordance with Islamic Sharī'a principles as approved by the Group's Fatwa and Sharī'a Supervisory Board.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the nine months ended 30 September 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

3 CHANGES TO THE GROUP'S ACCOUNTING POLICIES

New standards, interpretations and amendments adopted by the Group
The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to the Classification and Measurement of Financial Instruments
In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to recognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendment did not have an impact on the interim condensed consolidated financial information of the Group.

3 CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

Annual Improvements to IFRS accounting Standards – Volume 11
In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendment did not have an impact on the interim condensed consolidated financial information of the Group.

4 OPERATING REVENUE AND COSTS

	Three months ended 30 September		*Nine months ended 30 September*	
	2026 KD	*2025 KD*	***2026 KD***	*2025 KD*
Operating revenue				
Hotel revenue	**3,234,157**	2,893,702	**15,053,542**	14,856,829
Operating costs				
Hotel operating costs	**(1,873,176)**	(864,851)	**(6,221,980)**	(6,007,785)
Depreciation of right-of-use asset (Note 6.a)	**(652,193)**	(768,221)	**(1,987,274)**	(2,290,364)
	(2,525,369)	(1,633,072)	**(8,209,254)**	(8,298,149)
Net results from hotel operations	**708,788**	1,260,630	**6,844,288**	6,558,680

5 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	Three months ended 30 September		*Nine months ended 30 September*	
	2026	*2025*	***2026***	*2025*
Profit for the period attributable to the equity holders of the Parent Company (KD)	**1,399,455**	1,167,813	**8,757,135**	7,563,261
Weighted average number of ordinary shares outstanding during the period (shares)	**322,000,000**	322,000,000	**322,000,000**	322,000,000
Basic and diluted EPS (Fils)	**4.35**	3.63	**27.20**	23.49

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

6 RIGHT-OF-USE ASSET AND INVESTMENT PROPERTY

a. Right-of-use asset

Set out below are the carrying amounts of right-of-use asset recognised and the movements during the period:

	30 September 2026 KD	*(Audited) 31 December 2025 KD*	*30 September 2025 KD*
At the beginning of the period/year	**40,101,205**	42,163,382	42,163,382
Depreciation of right-of-use asset (Note 4)	**(1,987,274)**	(3,066,697)	(2,290,364)
Additions	**275,992**	1,204,088	363,946
Exchange differences	**173,921**	(199,568)	(228,539)
At the end of the period/year	**38,563,844**	40,101,205	40,008,425

b. Investment property

Investment property comprises of a leasehold shopping mall that is held to earn rental income.

	30 September 2026 KD	*(Audited) 31 December 2025 KD*	*30 September 2025 KD*
At the beginning of the period/year	**11,645,920**	11,995,360	11,995,360
Net loss from fair value remeasurement	**(182,857)**	(349,440)	(184,145)
At the end of the period/year	**11,463,063**	11,645,920	11,811,215

The fair value of investment property was independently determined as at 31 December 2025 by accredited independent valuers who are specialised in valuing such type of properties. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the interim period. The management updated certain assumptions to reflect the latest information and developments mainly based on renewed lease agreement for the investment property and the market conditions existing at the end of the interim reporting period resulting in a remeasurement loss of KD 182,857 (30 September 2025: KD 184,145) for the period then ended. (Note 11).

	Three months ended 30 September		*Nine months ended 30 September*	
	2026 KD	*2025 KD*	***2026 KD***	*2025 KD*
Net loss from fair value remeasurement	**(20,317)**	(61,162)	**(182,857)**	(184,145)
Rental income derived from investment properties	**377,731**	362,422	**1,123,600**	1,098,064
Net income from investment properties	**357,414**	301,260	**940,743**	913,919

7 INVESTMENT IN ASSOCIATES

The Group holds interests in associates that are operating in KSA and accounted for using the equity method.

The movement in the carrying amount of investment in associates during the period/ year is, as follows:

	30 September 2026 KD	*(Audited) 31 December 2025 KD*	*30 September 2025 KD*
At the beginning of the period/year	**17,026,937**	14,169,991	14,169,991
Share of results	**3,167,768**	2,995,952	2,502,863
Capital redemption*	**(6,659,185)**	(137,048)	(137,048)
Exchange differences	**14,746**	(1,958)	(8,810)
At the end of the period/year	**13,550,266**	17,026,937	16,526,996

*During the period, pursuant to the resolution dated 25 May 2026 of the Advisory Board of its associate, The Zamzam 2013 JV, partial redemptions aggregating to KD 18,148,875 were approved for the venturers at 132 fils per unit. The Parent Company's share of the redemption amounted to KD 6,659,185.

The Group performed an impairment test for its investment in associates during the fourth quarter of the preceding annual reporting period, which concluded that no impairment losses were required. As the assessment was performed at the end of the last annual reporting period, and in the absence of any indicators of impairment during the current interim reporting period, management believes that there are no triggering events that would necessitate an update to the impairment test in accordance with IAS 36 *'Impairment of Assets'*.

8 RELATED PARTY DISCLOSURES

Related parties represent major shareholders of Ultimate Parent Company, Ultimate Parent Company, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties including hotel operator. Pricing policies and terms of these transactions are approved by the Parent Company's management.

The following tables provide the total amount of transactions that have been entered into with related parties during the nine and three months ended 30 September 2026 and 2025, as well as balances with related parties as at 30 September 2026, 31 December 2025 and 30 September 2025:

	Major shareholder of the Ultimate Parent Company	***Associates***	***Other related parties***	*Nine months ended 30 September*		*Three months ended 30 September*	
				2026	*2025*	***2026***	*2025*
	KD	***KD***	***KD***	***KD***	*KD*	***KD***	*KD*
Interim condensed consolidated statement of profit or loss:							
Other operating revenue (*included in operating revenue*)	**-**	**-**	**345,225**	**345,225**	344,196	**345,225**	344,196
Management fees income	**-**	**387,869**	**153,493**	**541,362**	464,961	**162,168**	90,501
Income from wakala receivables	**4,020**	**-**	**-**	**4,020**	2,403	**2,059**	1,468
Finance costs	**(1,106,983)**	**-**	**-**	**(1,106,983)**	(1,347,883)	**(369,910)**	(450,827)
Management fees (expense) reversal (*included in operating costs*)	**-**	**-**	**(408,318)**	**(408,318)**	(419,666)	**(170,691)**	526,155

8 RELATED PARTY DISCLOSURES (continued)

	Major shareholder of the Ultimate Parent Company KD	*Ultimate Parent Company* KD	*Major shareholders* KD	*Associates* KD	*Other related parties* KD	*30 September 2026* KD	*(Audited) 31 December 2025* KD	*30 September 2025* KD
Interim condensed consolidated statement of financial position:								
Financial asset at FVPL	-	-	-	-	**243,015**	**243,015**	213,094	219,981
Financial asset at FVOCI	-	-	**405,716**	-	**34,440**	**440,156**	447,123	581,463
Bank balances and cash	**2,417,777**	-	-	-	-	**2,417,777**	3,209,402	2,744,125
Accounts receivable and prepayments - net of provisions	-	**1,034**	-	**1,461,158**	**17,175,693**	**18,637,885**	7,918,672	13,959,237
Accounts payable and accruals	-	-	**29,645**	-	**92,085**	**121,730**	599,927	923,086
Islamic finance payables	**27,985,100**	-	-	-	-	**27,985,100**	27,985,100	32,721,040

Compensation of key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	Balances outstanding as at			*Transaction values for nine months period ended*		*Transaction values for three months period ended*	
	30 September 2026 KD	*(Audited) 31 December 2025* KD	*30 September 2025* KD	*30 September 2026* KD	*30 September 2025* KD	*30 September 2026* KD	*30 September 2025* KD
Salaries and short-term benefits	**88,539**	85,435	83,090	**244,912**	244,393	**80,961**	75,625
Post-employment benefits	**387,522**	362,512	351,300	**28,289**	25,130	**9,852**	8,101
	476,061	447,947	434,390	**273,201**	269,523	**90,813**	83,726

8 RELATED PARTY DISCLOSURES (continued)

Compensation of key management personnel (continued)
The Board of Directors of the Parent Company in their meeting held on 12 February 2026 proposed a remuneration to the board members of KD 50,000 for the year ended 31 December 2025. This proposal was approved by the shareholders at the annual general assembly meeting ("AGM") held on 13 April 2026.

9 SHARE CAPITAL

	30 September 2026 KD	*(Audited) 31 December 2025 KD*	*30 September 2025 KD*
Authorised, issued and paid-up share capital consists of 322,000,000 (31 December 2025: 322,000,000 and 30 September 2025:322,000,000) shares of 100 fils each, paid in cash.	**32,200,000**	32,200,000	32,200,000

10 ISLAMIC FINANCE PAYABLES

	30 September 2026 KD	*(Audited) 31 December 2025 KD*	*30 September 2025 KD*
Non-current			
Tawarruq payable	**23,249,160**	23,249,160	27,985,100
Current			
Tawarruq payable	**4,735,940**	4,735,940	4,735,940
	27,985,100	27,985,100	32,721,040

Islamic finance payables bear a finance cost of 5.25% (31 December 2025: 5.48%; 30 September 2025: 5.50%) per annum and are repayable over a period of 10 years in annual instalments starting from 1 December 2022 and maturing on 1 December 2031, in accordance with the terms of the underlying Islamic financing arrangement.

Banking covenants vary according to each loan agreement. A breach of covenant may require the Group to repay the Islamic finance payable on demand. During the current interim period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

11 FAIR VALUE MEASUREMENT

Fair value hierarchy
All financial and non-financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest input that is significant to the fair value measurement as a whole, as follows:

- 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

For financial and non-financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

11 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

Set out below is a summary of financial instruments and non-financial assets measured at fair value on a recurring basis, other than those with carrying amounts that are reasonable approximations of fair values:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) KD	***Significant observable inputs (Level 2) KD***	***Significant unobservable inputs (Level 3) KD***	***Total KD***
As at 30 September 2026				
Financial assets at FVOCI	**405,716**	**-**	**34,440**	**440,156**
Financial assets at FVPL	-	**-**	**276,350**	**276,350**
Investment properties	-	**-**	**11,463,063**	**11,463,063**
	405,716	**-**	**11,773,853**	**12,179,569**
As at 31 December 2025 (Audited)				
Financial assets at FVOCI	417,399	-	29,724	447,123
Financial assets at FVPL	-	-	246,428	246,428
Investment properties	-	-	11,645,920	11,645,920
	417,399	-	11,922,072	12,339,471
As at 30 September 2025				
Financial assets at FVOCI	454,041	-	127,422	581,463
Financial assets at FVPL	-	-	253,316	253,316
Investment properties	-	-	11,811,215	11,811,215
	454,041	-	12,191,953	12,645,994

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

11 FAIR VALUE MEASUREMENT (continued)

Reconciliation of Level 3 fair values
The following table shows a reconciliation of all movements in the fair value of items categorised within Level 3 between the beginning and the end of the reporting period:

	Level 3 assets			
30 September 2026	***Financial assets at FVOCI KD***	***Financial assets at FVPL KD***	***Investment properties KD***	***Total KD***
As at 1 January 2026	**29,724**	**246,428**	**11,645,920**	**11,922,072**
Remeasurement recognised in OCI	**4,716**	**-**	**-**	**4,716**
Remeasurement recognised in profit or loss	**-**	**29,922**	**(182,857)**	**(152,935)**
As at 30 September 2026	**34,440**	**276,350**	**11,463,063**	**11,773,853**

	Level 3 assets			
31 December 2025 (Audited)	*Financial assets at FVOCI KD*	*Financial assets at FVPL KD*	*Investment properties KD*	*Total KD*
As at 1 January 2025	105,511	119,371	11,995,360	12,220,242
Remeasurement recognised in OCI	(23,082)	-	-	(23,082)
Remeasurement recognised in profit or loss	-	127,057	(349,440)	(222,383)
Redemptions	(52,705)	-	-	(52,705)
As at 31 December 2025	29,724	246,428	11,645,920	11,922,072

	Level 3 assets			
30 September 2025	*Financial assets at FVOCI KD*	*Financial assets at FVPL KD*	*Investment properties KD*	*Total KD*
As at 1 January 2025	105,511	119,371	11,995,360	12,220,242
Remeasurement recognised in OCI	74,616	-	-	74,616
Remeasurement recognised in profit or loss	-	133,945	(184,145)	(50,200)
Redemptions	(52,705)	-	-	(52,705)
As at 30 September 2025	127,422	253,316	11,811,215	12,191,953

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

11 FAIR VALUE MEASUREMENT (continued)

Sensitivity analysis
The management assessed that the impact on profit or loss or other comprehensive income would be immaterial if the relevant risk variables used to fair value the financial instruments classified as level 3 were altered by 5 percent.

12 SEGMENT INFORMATION

For management purposes, the Group organises its operations by geographic regions, primarily Kuwait and KSA.

The Group, including associates are primarily engaged in real estate activities and accordingly no separate business segment is presented.

The following table presents the geographical analysis of the Group's revenue and results for the periods ended 30 September 2026 and 2025 and assets and liabilities as at 30 September 2026, 31 December 2025 and 30 September 2025.

	30 September 2026			
	Kuwait KD	***KSA KD***	***Other KD***	***Total KD***
Interim condensed consolidated statement of profit or loss				
Revenues	**563,136**	**17,063,784**	**3,949**	**17,630,869**
Segment results	**(640,176)**	**10,821,058**	**(48,950)**	**10,131,932**
Other disclosures				
Depreciation and amortisation	**(36,634)**	**(1,987,274)**	**(801)**	**(2,024,709)**
Reversal of expected credit losses, net	**-**	**157,651**	**-**	**157,651**

	30 September 2025			
	Kuwait KD	*KSA KD*	*Other KD*	*Total KD*
Interim condensed consolidated statement of profit or loss				
Revenues	499,377	17,017,286	15,214	17,531,877
Segment results	(513,911)	8,832,754	(23,540)	8,295,303
Other disclosures				
Depreciation and amortisation	(39,207)	(2,290,364)	(694)	(2,330,265)
Reversal of expected credit losses, net	-	14,344	-	14,344

	30 September 2026			
	Kuwait KD	***KSA KD***	***Other KD***	***Total KD***
Interim condensed consolidated statement of financial position				
Total assets	**7,937,585**	**81,962,582**	**687,904**	**90,588,071**
Total liabilities	**6,313,856**	**43,553,424**	**-**	**49,867,280**

12 SEGMENT INFORMATION (continued)

	31 December 2025 (Audited)			
	Kuwait KD	*KSA KD*	*Other KD*	*Total KD*
Consolidated statement of financial position				
Total assets	6,893,052	76,538,694	734,043	84,165,789
Total liabilities	8,331,899	43,450,482	-	51,782,381

	30 September 2025			
	Kuwait KD	*KSA KD*	*Other KD*	*Total KD*
Interim condensed consolidated statement of financial position				
Total assets	8,589,730	81,842,459	60,764	90,492,953
Total liabilities	7,100,618	55,539,824	-	62,640,442

13 IMPACT OF GEOPOLITICAL ESCALATION RISK AND RELATED UNCERTAINTY

The Group operates in a global and regional economic environment that continues to be affected by heightened geopolitical tensions in the Middle East. Recent developments in the region have increased uncertainty in financial markets, energy supply and costs, regional security conditions, and global trade routes. The wider regional impact of these events may affect economic conditions relevant to the various sectors. Management has assessed the potential impacts of the geopolitical situation on the Group's operations and financial position, taking into consideration:

- Macroeconomic conditions, including inflationary pressures, interest rate volatility, and economic growth trends that may influence tenant demand, occupancy levels, and rental rates.
- Financing and liquidity, including the availability and cost of debt financing, refinancing risk, and compliance with financial covenants.
- Tenant credit risk, particularly in sectors or geographies that may be indirectly affected by disruptions in trade, energy markets, or regional economic activity.
- Foreign exchange risk, arising from increased currency volatility in markets linked to the region.

As at the reporting date, the Group has not experienced any material disruption to its core operations. Accordingly, management has not identified any material adverse impact on the valuation of the Group's properties or other non-financial assets that would require adjustments beyond those reflected in the observable market prices and valuation inputs used in determining the carrying values of right-of-use assets, investment properties and other non-financial assets.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and concluded that the going concern basis remains appropriate. The geopolitical situation remains dynamic, and the extent and duration of potential impacts on global financial markets are uncertain. Management continues to monitor developments closely and will reflect any material impacts in future valuations, risk disclosures, and financial reporting as appropriate.