

Interim condensed consolidated financial information and review report

**International Financial Advisors Holding – KPSC
and Subsidiaries
Kuwait**

31 March 2026 (Unaudited)

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Report on Review of Interim Condensed Consolidated Financial Information

To the board of directors of
International Financial Advisors Holding – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of International Financial Advisors Holding – KPSC (“the Parent Company”) and its subsidiaries (“the Group”) as of 31 March 2026 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-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.

Emphasis of matter

We draw attention to note 16b to the interim condensed consolidated financial information which describes the Group’s settlement plan for certain amounts due from related parties. Our conclusion is not qualified 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 “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 violations of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the three-month period ended 31 March 2026 that might have had a material effect on the business or financial position of the Parent Company.

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 material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2026 that might have had a material effect on the business or financial position of the Parent Company.



Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
11 May 2026

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2026 (Unaudited) KD	Three months ended 31 March 2025 (Unaudited) KD
Income			
Change in fair value of investments at FVTPL		(110,261)	27,114
Share of results of investment in associates and joint venture	8	1,537,181	5,911,316
Gain on settlement of a loan from a related party		-	3,000,000
Loss on disposal of an investment property		-	(117,174)
Dividend income		202,085	-
Other income		118,078	74,904
		1,747,083	8,896,160
Expenses and other charges			
Staff costs		(41,362)	(80,902)
Other operating expenses and charges		(261,902)	(296,064)
Impairment in value of investment in an associate		-	(125,150)
Finance costs		(261,524)	(106,072)
		(564,788)	(608,188)
Profit before taxation		1,182,295	8,287,972
Taxation		-	(118,146)
Profit for the period		1,182,295	8,169,826
Attributable to:			
- Shareholders of the Parent Company		1,191,116	8,127,057
- Non-controlling interests		(8,821)	42,769
Profit for the period		1,182,295	8,169,826
Basic and diluted earnings per share attributable to shareholders of the Parent Company (Fils)	5	2.10	14.30

The notes set out on pages 8 to 22 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 31 March 2026 (Unaudited) KD	Three months ended 31 March 2025 (Unaudited) KD
Profit for the period	1,182,295	8,169,826
Other comprehensive (loss)/income:		
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss:</i>		
Net change in fair value of investments at FVTOCI	(3,606,568)	2,956,874
	(3,606,568)	2,956,874
<i>Items that may be reclassified subsequently to consolidated statement of profit or loss:</i>		
Share of other comprehensive income of associates and joint venture	36,498	174,311
Exchange differences arising on translation of foreign operations	19,032	4,507
	55,530	178,818
Total other comprehensive (loss)/income	(3,551,038)	3,135,692
Total comprehensive (loss)/income for the period	(2,368,743)	11,305,518
Attributable to:		
- Shareholders of the Parent Company	(2,313,001)	11,261,874
- Non-controlling interests	(55,742)	43,644
	(2,368,743)	11,305,518

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Assets				
Cash and cash equivalents	6	7,497,564	4,242,133	3,760,397
Assets held for sale		-	-	2,034,332
Investments at fair value through profit or loss		925,381	1,035,642	382,017
Receivables and other assets		5,637,258	4,251,744	4,296,539
Due from related parties	16	15,753,608	18,968,387	23,461,731
Investments at fair value through other comprehensive income	7	51,416,765	54,930,228	34,701,238
Investment properties		5,623,418	5,623,418	4,494,659
Investment in associates and joint venture	8	75,016,500	72,083,541	67,410,952
Equipment		10,949	11,772	16,943
Total assets		161,881,443	161,146,865	140,558,808
Liabilities and equity				
Liabilities				
Payables and other liabilities	9	9,315,483	8,654,498	9,088,664
Due to related parties	16	656,990	701,374	883,508
Due to bank	6	-	-	1,771,898
Borrowings	10	20,232,008	19,309,657	7,223,569
Total liabilities		30,204,481	28,665,529	18,967,639
Equity				
Share capital	11	54,253,400	54,253,400	48,011,859
Share premium	11	9,002,224	9,002,224	9,002,224
Treasury shares	12	(35,208,726)	(33,978,763)	(33,980,594)
Statutory and voluntary reserves		39,224,746	39,224,746	36,909,620
Fair value reserve		31,678,073	35,237,444	26,012,963
Foreign currency translation reserve		(1,076,841)	(1,085,231)	(1,059,280)
Reserve for financial derivatives		9,842,061	9,795,197	11,037,402
Retained earnings		16,690,633	15,498,388	20,666,907
Total equity attributable to the shareholders of the Parent Company		124,405,570	127,947,405	116,601,101
Non-controlling interests		7,271,392	4,533,931	4,990,068
Total equity		131,676,962	132,481,336	121,591,169
Total liabilities and equity		161,881,443	161,146,865	140,558,808


 Saleh Saleh Al-Selmi
 Chairman

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the shareholders of the Parent Company							Non-controlling interests		Total	
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Fair value reserve KD	Foreign currency translation reserve KD	Reserve for financial derivatives KD	Retained earnings KD	Sub – total KD		KD
Balance at 1 January 2026 (audited)	54,253,400	9,002,224	(33,978,763)	39,224,746	35,237,444	(1,085,231)	9,795,197	15,498,388	127,947,405	4,533,931	132,481,336
Purchase of treasury shares	-	-	(1,229,963)	-	-	-	-	-	(1,229,963)	-	(1,229,963)
Capital increase of a subsidiary	-	-	-	-	-	-	-	-	-	2,793,203	2,793,203
Other adjustments	-	-	-	-	-	-	-	1,129	1,129	-	1,129
Total transactions with owners	-	-	(1,229,963)	-	-	-	-	1,129	(1,228,834)	2,793,203	1,564,369
Profit/(loss) for the period	-	-	-	-	-	-	-	1,191,116	1,191,116	(8,821)	1,182,295
Other comprehensive (loss)/income for the period	-	-	-	-	(3,559,371)	8,390	46,864	-	(3,504,117)	(46,921)	(3,551,038)
Total comprehensive (loss)/income for the period	-	-	-	-	(3,559,371)	8,390	46,864	1,191,116	(2,313,001)	(55,742)	(2,368,743)
Balance at 31 March 2026 (unaudited)	54,253,400	9,002,224	(35,208,726)	39,224,746	31,678,073	(1,076,841)	9,842,061	16,690,633	124,405,570	7,271,392	131,676,962

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the shareholders of the Parent Company							Non-controlling interests		Total	
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Fair value reserve KD	Foreign currency translation reserve KD	Reserve for financial derivatives KD	Retained earnings KD	Sub – total KD		KD
Balance at 1 January 2025 (audited)	48,011,859	9,002,224	(33,980,594)	36,909,620	23,056,180	(1,227,125)	11,027,213	12,539,965	105,339,342	4,946,424	110,285,766
Other adjustments	-	-	-	-	-	-	-	(115)	(115)	-	(115)
Total transactions with owners	-	-	-	-	-	-	-	(115)	(115)	-	(115)
Profit for the period	-	-	-	-	-	-	-	8,127,057	8,127,057	42,769	8,169,826
Other comprehensive income for the period	-	-	-	-	2,956,783	167,845	10,189	-	3,134,817	875	3,135,692
Total comprehensive income for the period	-	-	-	-	2,956,783	167,845	10,189	8,127,057	11,261,874	43,644	11,305,518
Balance at 31 March 2025 (unaudited)	48,011,859	9,002,224	(33,980,594)	36,909,620	26,012,963	(1,059,280)	11,037,402	20,666,907	116,601,101	4,990,068	121,591,169

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2026 (Unaudited) KD	Three months ended 31 March 2025 (Unaudited) KD
OPERATING ACTIVITIES			
Profit before taxation		1,182,295	8,287,972
Adjustments:			
Share of results of associates and joint venture	8	(1,537,181)	(5,911,316)
Gain on settlement of a loan from a related party		-	(3,000,000)
Loss on disposal of equipment		-	859
Impairment in value of investments in an associate		-	125,150
Loss on disposal of investment properties		-	117,174
Finance costs		261,524	106,072
Depreciation		823	1,165
		(92,539)	(272,924)
Changes in operating assets and liabilities:			
Investments at FVTPL		110,261	(27,114)
Receivables and other assets		(1,385,514)	(641,507)
Due from related parties		3,214,779	(204,806)
Payables and other liabilities		660,984	835,493
Due to related parties		(44,384)	(9,270)
Net cash from/(used in) operating activities		2,463,587	(320,128)
INVESTING ACTIVITIES			
Additions to investments at FVTOCI		(1,453,605)	(15,998)
Proceeds from disposal of equipment		-	600
Net cash used in investing activities		(1,453,605)	(15,398)
FINANCING ACTIVITIES			
Proceeds from non-controlling interests on capital increase in subsidiary		2,793,203	-
Purchase of treasury shares		(1,229,963)	-
Increase in borrowings		922,351	-
Settlement of borrowings		-	(5,522,205)
Finance costs paid		(261,524)	(106,072)
Net cash from/(used in) financing activities		2,224,067	(5,628,277)
Net increase/(decrease) in cash and cash equivalents		3,234,049	(5,963,803)
Foreign currency adjustment		21,382	3,078
Cash and cash equivalents at beginning of the period	6	1,218,133	5,560,224
Cash and cash equivalents/(due to bank) at end of the period	6	4,473,564	(400,501)
Non-cash transactions			
Transfer to assets held for sale		-	1,858,646
Transfer from investment in associate		-	(1,858,646)

The notes set out on pages 8 to 22 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the Parent Company

International Financial Advisors Holding – KPSC (“the Parent Company”) is a Kuwaiti Public Shareholding Company incorporated on 31 January 1974 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The Parent Company is listed on Boursa Kuwait and Dubai Financial Market.

The Securities Activities Licence issued by the Capital Markets Authority (“CMA”) expired on 29 June 2018 under which the Parent Company carried out certain investment activities. Management did not renew the licence. Accordingly, the CMA notified the Parent Company on 6 May 2018 that it is no longer considered a licenced entity under the CMA regulations. Consequently, the Parent Company is currently in the process of disposing the portfolios under management (Note 18).

The objectives of the Parent Company are as follows:

- Management of the Parent Company’s subsidiaries or participation in management of other companies in which it holds ownership stakes and providing the necessary support thereto.
- Investing funds by way of trading in shares, bonds and other financial securities
- Acquisition of properties and movables necessary to carry out the business activities as allowable by the law.
- Financing and extending loans to investee companies and providing guarantees for third parties, provided that the share of the holding company in the investee company is not less than 20%.
- Acquisition of industrial rights and related intellectual properties or any other industrial trademarks or royalties and any other property related thereto, and renting such properties to the subsidiary companies and others whether inside Kuwait or abroad.
- Using cash surplus to invest in financial portfolios/funds managed by specialised parties.
- 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.

The Parent Company has the right to carry out its activities inside Kuwait or abroad whether directly or through power of attorney.

The Parent Company is authorized to have interest in or participate with any party or institution carrying out similar activities or those parties who will assist the company in achieving its objectives whether in Kuwait or abroad. The Parent Company has the right to establish, participate in or acquire such institutions.

The Group comprises the Parent Company and its subsidiaries.

The address of the Parent Company’s registered office is PO Box 4694, Safat 13047, State of Kuwait.

This interim condensed consolidated financial information for the three-month period ended 31 March 2026 was authorised for issue by the Parent Company’s board of directors on 11 May 2026.

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2026 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and presentation (continued)

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”).

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional and presentation currency of the Parent Company.

The 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 three-month period ended 31 March 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 its related disclosures for the year ended 31 December 2025.

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 new amendments or 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 addresses three change and are required to apply the amendments retrospective 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.

- 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.
- 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
- Disclosures relating to a) financial assets at FVTOCI where entities are required to disclose fair value gain or loss separately for financial assets derecognized 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)

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 Basic and diluted earnings per share attributable to the shareholders of the Parent Company

Basic and diluted earnings per share attributable to the shareholders of the Parent Company is calculated by dividing the profit for the period attributable to the shareholders of the Parent Company by the weighted average number of shares outstanding during the period excluding treasury shares.

	Three months ended 31 March 2026 (Unaudited)	Three months ended 31 March 2025 (Unaudited)
Profit for the period attributable to the shareholders of the Parent Company (KD)	1,191,116	8,127,057
Weighted average number of shares outstanding during the period (shares)	567,702,721	568,449,388
Basic and diluted earnings per share attributable to the shareholders of the Parent Company (Fils)	2.10	14.30

The basic and diluted earnings per share reported during the previous period for the three-month ended 31 March 2025 were 17.77 Fils, before retroactive adjustments relating to bonus share issue of the previous year. (Note 15).

Notes to the interim condensed consolidated financial information (continued)

6 Cash and cash equivalents

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Cash and bank balances	1,171,775	923,116	1,716,397
Cash in portfolio	3,301,789	295,017	-
Term deposits	3,024,000	3,024,000	2,044,000
Cash and cash equivalents as per consolidated statement of financial position	7,497,564	4,242,133	3,760,397
Less: due to bank	-	-	(1,771,898)
Less: restricted balance	-	-	(345,000)
Less: deposits maturing after more than three months	(3,024,000)	(3,024,000)	(2,044,000)
Cash and cash equivalents/(due to bank) as per interim condensed consolidated statement of cash flows	4,473,564	1,218,133	(400,501)

7 Investments at fair value through other comprehensive income

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Local quoted securities	37,685,446	41,251,916	31,723,820
Foreign quoted securities	5,587	5,878	6,898
Local unquoted securities	6	6	6,002
Foreign unquoted securities	2,981,328	2,981,328	2,961,049
Managed funds	10,744,398	10,691,100	3,469
	51,416,765	54,930,228	34,701,238

Investments at fair value through other comprehensive income aggregating to KD27,341,672 (31 December 2025: KD29,957,696 and 31 March 2025: KD31,713,276) are pledged against borrowing facilities of the Group (Note 10).

8 Investment in associates and joint venture

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Investment in associates (Note 8.1)	43,174,415	40,938,675	37,173,233
Investment in joint venture (Note 8.2)	31,842,085	31,144,866	30,237,719
	75,016,500	72,083,541	67,410,952

Notes to the interim condensed consolidated financial information (continued)

8 Investment in associates and joint venture (continued)

8.1 Investment in associates

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

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Carrying value at the beginning of the period/year	40,938,675	33,813,391	33,813,391
Additions (a)	1,359,557	19,000	-
Reclassification from FVTOCI to investment in associates	-	293,000	-
Reclassification from subsidiary to an associate	-	884,419	-
Share of results	886,826	8,118,858	5,178,722
Share of other comprehensive (loss)/income	(10,643)	315,825	164,916
Impairment in value of investment in an associate	-	(125,150)	(125,150)
Transferred to assets held for sale	-	(1,858,646)	(1,858,646)
Adjustment due to deconsolidation of a subsidiary	-	(522,022)	-
	43,174,415	40,938,675	37,173,233

- a) During the period, the subsidiary purchased 1,500,000 shares in IFA Hotels and Resorts Company - KPSC.
- b) Investment in associates amounting to KD8,048,625 (31 December 2025: KD9,715,500 and 31 March 2025: KD35,854,018) is pledged against Group's borrowings (Note 10).

8.2 Investment in joint venture

The movement of the investment in joint venture is as follows:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Carrying value at the beginning of the period/year	31,144,866	29,494,936	29,494,936
Share of results	650,355	2,881,946	732,594
Share of other comprehensive income/(loss)	46,864	(1,232,016)	10,189
	31,842,085	31,144,866	30,237,719

- a) Investment in joint venture is pledged against the borrowing facilities obtained to finance the underlying project (Note 13b).

Notes to the interim condensed consolidated financial information (continued)

9 Payables and other liabilities

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Financial liabilities:			
Accounts payable and accruals	831,891	877,775	838,781
Dividend payable	-	-	7,842
Provisions for taxation	3,895,889	3,895,890	4,014,031
Provision for employees' end of service benefits and leave	520,857	506,108	485,553
Due to policyholders	-	-	380,371
Other liabilities	368,965	388,964	-
Total financial liabilities	5,617,602	5,668,737	5,726,578
Non-financial liabilities:			
Policyholders' deficit reserve	3,697,881	2,985,761	3,362,086
	9,315,483	8,654,498	9,088,664

10 Borrowings

The Group's borrowings are denominated in the following currencies:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Murabaha facilities obtained from a local financial institution			
- Denominated in Kuwaiti Dinar (Note 10.1)	11,083,457	10,758,457	7,223,569
- Denominated in US Dollar (Note 10.2)	8,551,200	8,551,200	-
- Denominated in EURO (Note 10.3)	597,351	-	-
	20,232,008	19,309,657	7,223,569

The details of loan balances and bank facilities of the Group are as follows:

- 10.1 During 2025, the Group restructured a Murabaha facility obtained from a local Islamic bank. The restructured facility has a total limit of KD11,461,381 and carries a profit rate of 1.65% above the discount rate of the Central Bank of Kuwait. As at the reporting date, the utilized amount of the facility is KD11,083,457.

The facility is repayable in two components. An amount of KD2,800,000 shall be settled in four instalments commencing on 1 July 2026, with the final instalment due no later than 1 July 2030. The remaining balance of KD4,500,000 is repayable in full on 1 October 2027.

Notes to the interim condensed consolidated financial information (continued)

10 Borrowings (continued)

- 10.2 During 2025, the Group entered into a Murabaha financing arrangement with a local bank, with a total facility limit of USD28,000,000 (equivalent to KD8,603,000). The facility carries a profit rate of 1.5% per annum over the three-month Term Secured Overnight Financing Rate (T.SOFR), payable on a quarterly basis. The facility is valid for a period of five years from the date of inception.

Repayment terms include the settlement of 0.25% per annum of the utilized principal amount through equal quarterly instalments, commencing three months after the date of first drawdown. The remaining balance of the facility is payable in full upon expiry of the facility term.

- 10.3 During the period, the Group entered into a Murabaha financing arrangement with a local bank, with a total facility limit of EUR1,660,000 (equivalent to KD597,351). The facility carries a profit rate of 7% per annum, payable on 31 December 2029.
- 10.4 The loan denominated in the US Dollar was obtained from Al-Nozha Al-Dawliya Real Estate Company WLL ("Al Nozha"), a related party, carrying annual interest rate of 1.5%. The loan was repayable in four annual equivalent instalments of USD3,275,000 (equivalent to KD999,203) beginning 31 March 2021 and ending on 31 March 2024, with final instalment of USD52,400,000 (equivalent to KD15,987,240) to be repaid on 31 March 2025.

On 3 September 2024, the Group restructured its loan with Al Nuzha, converting the original USD denominated loan to a KD denominated obligation. The net settlement arrangement of KD20,521,898 comprise of principal of KD19,984,050, accrued interest of KD991,348 net of amount due from Al Nozha amounting to KD453,500.

According to the settlement agreement, the Group paid an initial down payment of KD12,000,000 on 3 September 2024. The remaining balance was scheduled for payment within nine months from the agreement date without interest to be charged on the outstanding amount. However, as per the agreement, if the Group paid an amount of KD17,521,898 before 31 March 2025, and it was qualified for a discount on the remaining balance. Accordingly, the Group paid an amount of KD5,521,898 before 31 March 2025 and received the discount of KD3,000,000, which was recognised as gain on settlement of a loan from a related party in the consolidated statements of profit or loss during the previous year.

11 Share capital and share premium

	Authorised	Issued	Paid up
31 March 2026			
Shares of 100 Fils each	542,534,004	542,534,004	542,534,004
31 December 2025			
Shares of 100 Fils each	542,534,004	542,534,004	542,534,004
31 March 2025			
Shares of 100 Fils each	480,118,588	480,118,588	480,118,588

Notes to the interim condensed consolidated financial information (continued)

11 Share capital and share premium (continued)

At the Extra-Ordinary General Assembly of the shareholders held on 25 May 2025, approved to increase the Parent Company's authorised capital from KD48,011,859 to KD54,253,400 by way of 13% bonus share issue and to amend the article 6 of the Parent Company's Memorandum of Incorporation and article 5 of the Parent Company's Article of Association to be as follows "the Company's authorised, issued and paid up share capital amounts to KD54,253,400 distributed on 542,534,004 shares of 100 Fils each and all shares are in cash".

Following the shareholders' approval in the extraordinary general assembly (Note 15), the amendment was registered in the commercial register on 17 June 2025.

The share premium comprises of 180,044,470 shares of 50 Fils each issued in 2nd quarter of 2024. Share premium is not available for distribution.

12 Treasury shares

	31 March 2026 (Unaudited)	31 Dec. 2025 (Audited)	31 March 2025 (Unaudited)
Number of treasury shares (shares)	28,946,484	25,746,484	22,798,083
Percentage of treasury shares to paid up capital (%)	5.34	4.75	4.75
Cost (KD)	35,208,726	33,978,763	33,980,594
Market Value (KD)	10,420,734	11,946,369	10,464,320

13 Capital commitments and contingent liabilities

(a) The Group has the following commitments:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Group's share of associates' commitments:			
Finance guarantees	2,168	2,157	2,753
Group's share of joint venture's commitments			
Group's share of engineering, procurement and construction agreement of a plant in an underlying project of a joint venture	17,106,342	17,106,342	25,506,050
Group's share of future land lease payments in an underlying project of a joint venture	3,853,333	3,853,333	4,013,333

(b) The Group has the following contingent liabilities:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Contingent liabilities			
Corporate guarantee of borrowings by a joint venture (Note 8.2a)	9,804,594	9,804,594	9,804,594
Group's share of guarantee provided by a joint venture	17,928,723	18,403,884	18,403,884

Notes to the interim condensed consolidated financial information (continued)

14 Segmental analysis

The Group's activities are concentrated in three main segments: treasury and investments, real estate and others. The segments' results are reported to the higher management in the Group. In addition, the segments revenue, assets are reported based on the geographic locations which the Group operates in. The following is the segments information, which conforms with the internal reporting presented to management.

	Treasury and Investments KD	Real Estate KD	Others KD	Total KD
31 March 2026 (Unaudited)				
Segment income	1,629,005	-	118,078	1,747,083
Profit/(loss) before taxation	1,367,481	-	(185,186)	1,182,295
Finance costs				261,524
Taxation				-
Total segmental assets	134,856,210	5,634,367	-	140,490,577
Total segmental liabilities	(20,232,008)	-	-	(20,232,008)
Net segmental assets	114,624,202	5,634,367	-	120,258,569
Unallocated assets				21,390,866
Unallocated liabilities				(9,972,473)
Net assets				131,676,962

	Treasury and Investments KD	Real Estate KD	Others KD	Total KD
31 March 2025 (Unaudited)				
Segment income	5,938,430	(117,174)	3,074,904	8,896,160
Profit before taxation	5,707,208	(117,174)	2,697,938	8,287,972
Finance costs				106,072
Taxation				118,146
Total segmental assets	108,113,250	4,687,288	-	112,800,538
Total segmental liabilities	(7,223,569)	-	-	(7,223,569)
Net segmental assets	100,889,681	4,687,288	-	105,576,969
Unallocated assets				27,758,270
Unallocated liabilities				(11,744,070)
Net assets				121,591,169

Notes to the interim condensed consolidated financial information (continued)

15 General assembly of shareholders

Annual General Assembly

The Annual General Assembly of the shareholders held on 11 May 2026 approved the consolidated financial statements of the Group for the year ended 31 December 2025 and the board of directors' proposal to issue 10% bonus shares from KD54,253,400 to KD59,678,740.

Extra-ordinary General Assembly

The Extra-Ordinary General Assembly of the shareholders held on 11 May 2026 approved to increase the Parent Company's authorised capital from KD54,253,400 to KD59,678,740 and to amend the article 6 of the Parent Company's Memorandum of Incorporation and article 5 of the Parent Company's Article of Association to be as follows "the Company's authorised, issued and paid up share capital amounts to KD59,678,740 distributed on 596,787,404 shares of 100 Fils each and all shares are in cash".

16 Related party balances and transactions

Related parties represent major shareholders, directors, key management personnel of the Group and their close family members, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions between the Parent Company and its subsidiaries which are related parties of the Parent Company have been eliminated on consolidation and are not disclosed in this note.

Details of balances and transactions between the Group and other related parties are disclosed below.

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
<i>Balances included in the interim condensed consolidated statement of financial position:</i>			
Due from related parties			
- Due from associates and its subsidiaries (net of ECL provision) (b)	14,571,006	17,720,774	21,992,312
- Due from other related parties (net of ECL provision)	1,182,602	1,247,613	1,469,419
	15,753,608	18,968,387	23,461,731
Due to related parties (c and d)			
- Due to other related parties	656,990	701,374	883,508
Receivables and other assets	164,611	164,611	164,611

Notes to the interim condensed consolidated financial information (continued)

16 Related party balances and transactions (continued)

	Three months ended 31 March 2026 (Unaudited) KD	Three months ended 31 March 2025 (Unaudited) KD
<i>Transactions included in interim condensed consolidated statement of profit or loss:</i>		
Gain on settlement of loan from a related party	-	3,000,000
Finance costs	(5,075)	(5,131)
Other operating expenses and charges	(19,250)	(19,250)
Key management compensation of the Group		
Short-term and long-term employee benefits	66,332	78,313

- a) Due from related parties are non-interest bearing and have no specific repayment terms.
- b) During the period, the associate and its subsidiaries have settled an amount of KD3,375,000 of the outstanding balance as of 31 December 2025 and thereafter the Board of Directors of IFA Hotels and Resorts KPSC has approved and submitted a proposal to fully settle its and its subsidiaries outstanding balance due to the Group amounting to KD13,609,597 (gross) through an in-kind settlement by transferring ownership interests in one of its subsidiaries (“subsidiary”). The value of the transferred interests is to be determined based on a fair valuation of the subsidiary being performed by an independent specialized firm and restructuring of the ownership structure of the subsidiary. The Board of Directors of the Parent Company has reviewed and approved this proposal.

As of the date of approval of these interim condensed consolidated financial information, completion of legal and regulatory formalities and restructuring of the ownership structure in the subsidiary and the fair valuation of the subsidiary are in progress. Accordingly, management expects to complete the formalities in the next few months, however the final value of the settlement and the related ownership stake in the subsidiary is unknown and cannot be quantified at present.

During the previous year, the Group recognized an expected credit loss provision of KD2,144,287 on amounts due from IFA Hotels and Resorts KPSC in accordance with IFRS 9 Financial Instruments. The provision reflects management’s best estimate of the recoverable amount, taking into account the proposed in-kind settlement. Based on the ongoing settlement plans, the group’s management has updated its expected credit loss assessment at the reporting period and believes no further provision is required. Any differences between the estimated and final fair value of the transferred interests may result in adjustment to the carrying amount of the receivable and related impairment in future periods.

- c) Due to related parties include balance amounting to KD433,284 (31 December 2025: KD433,284 and 31 March 2025: KD433,284) which carries interest at 4.75% (31 December 2025: 4.75% and 31 March 2025: 4.75%) per annum and is payable on 30 June 2027. The remaining balances KD223,706 (31 December 2025: KD268,090 and 31 March 2025: KD450,224) are non-interest bearing and have no specific repayment terms.
- d) The Group has pledged part of its equity interest in First Takaful Insurance Company – KPSC, a subsidiary, against certain due to related parties’ balances.

Notes to the interim condensed consolidated financial information (continued)

17 Fair value measurement

17.1 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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

17.2 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:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Financial assets:			
At amortised cost:			
- Cash and cash equivalents	7,497,564	4,242,133	3,760,397
- Receivables and other assets	445,719	703,548	214,995
- Due from related parties	15,753,608	18,968,387	23,461,731
At fair value:			
- Investments at fair value through profit or loss	925,381	1,035,642	382,017
- Investments at fair value through other comprehensive income	51,416,765	54,930,228	34,701,238
	76,039,037	79,879,938	62,520,378
Financial liabilities:			
At amortised costs:			
- Due to bank	-	-	1,771,898
- Payables and other liabilities (Note 9)	5,617,602	5,668,737	5,726,578
- Due to related parties	656,990	701,374	883,508
- Borrowings	20,232,008	19,309,657	7,223,569
	26,506,600	25,679,768	15,605,553

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.

Notes to the interim condensed consolidated financial information (continued)

17 Fair value measurement (continued)

17.2 Fair value measurement of financial instruments (continued)

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

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
31 March 2026 (unaudited)				
Investments at FVTPL				
<i>Investments held for trading:</i>				
Local quoted securities	741,933	-	-	741,933
Local unquoted securities	-	-	183,448	183,448
Investments at FVTOCI				
Local quoted securities	37,685,446	-	-	37,685,446
Foreign quoted securities	5,587	-	-	5,587
Managed funds	-	10,744,398	-	10,744,398
Local unquoted securities	-	-	6	6
Foreign unquoted securities	-	-	2,981,328	2,981,328
	38,432,966	10,744,398	3,164,782	52,342,146
31 December 2025 (audited)				
Investments at FVTPL				
<i>Investments held for trading:</i>				
Local quoted securities	841,298	-	-	841,298
Local unquoted securities	-	-	194,344	194,344
Investments at FVTOCI				
Local quoted securities	41,251,916	-	-	41,251,916
Foreign quoted securities	5,878	-	-	5,878
Managed funds	-	10,691,100	-	10,691,100
Local unquoted securities	-	-	6	6
Foreign unquoted securities	-	-	2,981,328	2,981,328
	42,099,092	10,691,100	3,175,678	55,965,870
31 March 2025 (unaudited)				
Investments at FVTPL				
<i>Investments held for trading:</i>				
Local quoted securities	235,343	-	-	235,343
Local unquoted securities	-	-	146,674	146,674
Investments at FVTOCI				
Local quoted securities	31,723,820	-	-	31,723,820
Foreign quoted securities	6,898	-	-	6,898
Managed funds	-	3,469	-	3,469
Local unquoted securities	-	-	6,002	6,002
Foreign unquoted securities	-	-	2,961,049	2,961,049
	31,966,061	3,469	3,113,725	35,083,255

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

Notes to the interim condensed consolidated financial information (continued)

17 Fair value measurement (continued)

17.2 Fair value measurement of financial instruments (continued)

Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Level 3 fair value measurements

The Group's financial assets and liabilities classified in level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Investments at FVTPL			
Opening balance	194,344	146,674	146,674
(Loss)/gain recognised in:			
- Consolidated statement of profit or loss	(10,896)	47,670	-
Balance at end of the period/year	183,448	194,344	146,674
Investments at FVTOCI			
Opening balance	2,981,334	2,961,051	2,961,051
Additions	-	-	6,000
Gains recognised in:			
- Consolidated statement of profit or loss and other comprehensive income	-	20,283	-
Balance at end of the period/year	2,981,334	2,981,334	2,967,051

18 Fiduciary accounts

The Parent Company previously managed portfolios on behalf of others, mutual funds and maintains cash balances and securities in fiduciary accounts, which were not reflected in the interim condensed consolidated statement of financial position. However, as a result of the legal status of the Parent Company changed to a holding company, it is no longer allowed to manage portfolios. The existing portfolio balance is either currently being disposed of or transferred to other entities. Assets under management at 31 March 2026 amounted to KD6,333,014 (31 December 2025: KD7,378,503 and 31 March 2025: KD6,904,502).

19 Geopolitical developments

During the period ended 31 March 2026, ongoing geopolitical developments in the Middle East have contributed to heightened uncertainty and volatility in global and regional financial markets.

Management has performed an assessment of the potential impacts of these developments on the Group's interim condensed consolidated financial information in accordance with IAS 34. Based on the information available as of the issuance date, no material impact has been identified requiring adjustments to this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information (continued)

19 Geopolitical developments (continued)

However, given the evolving nature of the situation, certain estimates and judgements applied in the preparation of these interim condensed consolidated financial information may be subject to increased uncertainty. Management will continue to monitor developments and assess the potential impact, if any, on the Group's financial position, financial performance and cash flows in future reporting periods.

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