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AL MUSTASHAR AL KUWAITI GLOBAL
المستشار الكويتي

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Ekttitab Holding Company - KPSC and Subsidiaries State of Kuwait

Interim condensed consolidated financial information
For the Three Months ended 31 March 2026
and review report
(Unaudited)

**Ekttitab Holding Company - KPSC
and Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
For the Three Months ended 31 March 2026
and review report
(Unaudited)**

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Report on review of interim condensed consolidated financial information

To the board of directors of
Ekttitab Holding Company – KPSC
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Ekttitab Holding Company - 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, interim condensed consolidated statements profit or loss and other comprehensive income, interim condensed consolidated statements changes in equity and interim condensed consolidated statements cash flows for the Three-months 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

Except as stated in the basis paragraph for the qualified conclusion below, 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.

Basis of Qualified Conclusion

As explained in Note (8) to the Condensed Consolidated Interim Financial Information, the Group’s management did not provide us with audited financial statements for the associate company (Raya Takaful Insurance Company – KSCC) for the financial year ended 31 December 2025. Therefore, we were unable to conduct the review in accordance with the requirements of the International Standards on Auditing relating to investment in an associate company to ascertain the fairness of its financial statements, the realizability of its assets, and whether there was any material information relating to the associate company during the period, which has substantial doubts about its going concern and the conduct of its activities, given that the Insurance Regulatory Unit had cancelled the associate company’s license.

Qualified Conclusion

Based on our review, except as stated in the basis paragraph for the qualified conclusion, nothing has come to our attention that necessitates the belief that the accompanying interim condensed consolidated financial information has not been prepared, in all material respects, in accordance with International Accounting Standard No. 34 “Interim Financial Report”.

Basic Accounting Concept ("Going Concern Principle")

We draw attention to Note (5) to the condensed consolidated interim financial information, concerning the accounting concept, which indicates that there are material doubts about the Group's ability to continue as a going concern, as the Group's current liabilities exceeded its current assets as of 31 March 2026, by KD676,529 (KD506,166 as of 31 March 2025, and KD636,738 as of 31 December 2025).

Report on review of interim condensed consolidated financial information (Continued)

To the board of directors of
Ekttitab Holding Company – KPSC
State of Kuwait

Basic Accounting Concept ("Going Concern Principle") (continued)

Furthermore, the accumulated losses of Petro Integrated Business Company – K.S.C. (Closed) ("a subsidiary") as of 31 March 2026 amounted to KD2,397,884, representing 86% of the subsidiary's share capital. (KD 2,396,687, representing 86%, as of 31 March 2025, and KD2,397,492, representing 86%, as of 31 December 2025).

The group's accumulated losses for the period ending 31 March 2026 amounted to KD23,866,411, representing 74.9% of the parent company's capital (KD 23,701,728, representing 74.4% as of 31 March 2025, and KD23,825,706, representing 74.8% as of 31 December 2025). Although Kuwaiti Companies Law No. (1) of 2006 stipulated that 75% of the company's capital should be considered accumulated losses, which must be noted for the group's continuity, the negative financial indicators and the parent company's situation in light of these losses, in addition to the losses of its subsidiaries, the decrease in the value of its investments, and the decrease in the value of its assets due from related parties, necessitate this.

We note the need for the Group's management to take the necessary measures to address the accumulated losses and improve the quality of its investments and assets. Therefore, the condensed consolidated interim financial statements for the period ending 31 March 2026, have been prepared on the assumption that the Group will continue its operations on a going concern basis.

On 4 May 2026, the Capital Markets Authority issued its decision approving the proposal of the parent company's board of directors to reduce the company's share capital to fully cover the accumulated losses (see Note 17). The reduction of the company's share capital is subject to the approval of the Extraordinary General Meeting of the company's shareholders and the regulatory authorities.

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 Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the Three-months period ended 31 March 2026 that might have had a material effect on the business or financial position of the group.

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-months period ended 31 March 2026 that might have had a material effect on the business or consolidated financial position of the group.

Kuwait on 13 May 2026



Falah Awadh Al-Mutiri
Auditor's Licence No. 97 (A)
Al-Mustashar Al-Kuwaiti Auditing Office
Member of Daxin Global

**Interim condensed consolidated statement of profit or loss
For the Three months ended 31 March 2026**

	<u>Note</u>	<u>Three months ended</u>	
		<u>31 March 2026 (Unaudited) KD</u>	<u>31 March 2026 (Unaudited) KD</u>
<u>Revenue</u>			
Change in fair value of investments at fair value through profit or loss		(393)	-
Total revenue		(393)	-
<u>Expenses and other charges</u>			
General and administrative and expenses		(40,314)	(30,406)
Total expenses and other charges		(40,314)	(30,406)
Net loss for the period		(40,707)	(30,406)
<u>Attributable to:</u>			
Shareholders of the Parent Company		(40,705)	(30,406)
Non-controlling interests		(2)	-
Net loss for the period		(40,707)	(30,406)
Basic and diluted loss per share attributable to the shareholders of the Parent Company (Fils)			
	7	(0.13)	(0.10)

The notes set out on pages 8 - 16 form an integral part of this interim condensed consolidated financial information.

**Interim condensed consolidated statement of profit or loss and other comprehensive income
For the Three months ended 31 March 2026**

	Three months ended	
	31 March 2026 (Unaudited) KD	31 March 2025 (Unaudited) KD
Loss for the period	(40,707)	(30,406)
Other comprehensive income items:		
<u>Items that will not be reclassified subsequently to consolidated statement of profit or loss:</u>		
Change in fair value of financial investments at fair value through other comprehensive income	47,206	(108,180)
Total other comprehensive income items	47,206	(108,180)
Net comprehensive loss for the period	6,499	(138,586)
<u>Attributable to:</u>		
Shareholders of the Parent Company	6,499	(138,616)
Non-controlling interests	-	30
Net comprehensive loss for the period	6,499	(138,586)

The notes set out on pages 8 - 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position
As of 31 March 2026

	Note	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Assets				
Non-current assets				
Plant and equipment		4	4	4
Investment in associate	8	1	1	1
Investments at fair value through other comprehensive income	9	1,744,251	1,697,045	1,697,047
		1,744,256	1,697,050	1,697,052
Current assets				
Investments at fair value through profit or loss	10	4,347	4,740	4,533
Other assets		3,425	3,525	3,176
Due from related parties	13	1	1	1
Cash and cash equivalents		943	954	1,132
		8,716	9,220	8,842
Total assets		1,752,972	1,706,270	1,705,894
Equity and liabilities				
Equity				
Share capital	11	31,862,423	31,862,423	31,862,423
Statutory reserve		94,506	94,506	94,506
Group's share in associate reserves		(3,368,631)	(3,368,631)	(3,368,631)
Fair value reserve		(3,642,541)	(3,689,745)	(3,689,742)
Accumulated losses		(23,866,411)	(23,825,706)	(23,701,728)
Total equity attributable to shareholders of the Parent Company		1,079,346	1,072,847	9,418,148
Non-controlling interests		(21,228)	(21,228)	(21,224)
Total equity		1,058,118	1,051,619	1,175,604
Liabilities				
Non-current liabilities				
Provision for employees' end of service benefits		9,609	8,693	15,282
Current liabilities				
Payables and other liabilities	12	479,666	479,098	409,164
Due to related parties	13	205,579	166,860	105,844
		685,245	645,958	515,008
Total liabilities		694,854	654,651	530,290
Total equity and liabilities		1,752,972	1,706,270	1,705,894

The notes set out on pages 8 - 16 form an integral part of this interim condensed consolidated financial information.


Saleh Nasser Al Saleh
Vice Chairman and CEO

Interim condensed consolidated statement of changes in equity
For the Three months ended 31 March 2026

Equity attributable to the shareholders of the Parent Company

	Share Capital KD	Statutory reserve KD	Group's share in associate reserves KD	Fair value reserve KD	Accumulated losses KD	Sub – Total KD	Non- controlling interests KD	Total KD
Balance at 1 January 2026	31,862,423	94,506	(3,368,631)	(3,689,745)	(23,825,706)	1,072,847	(21,228)	1,051,619
Net loss for the period	-	-	-	-	(40,705)	(40,705)	(2)	(40,707)
Other comprehensive income	-	-	-	47,204	-	47,204	2	47,206
Total comprehensive loss for the period	-	-	-	47,204	(40,705)	6,499	-	6,499
Balance at 31 March 2026 (Unaudited)	31,862,423	94,506	(3,368,631)	(3,642,541)	(23,866,411)	1,079,346	(21,228)	1,058,118
Balance at 1 January 2025	31,862,423	94,506	(3,368,631)	(3,581,532)	(23,671,322)	1,335,444	(21,254)	1,314,190
Net loss for the period	-	-	-	-	(30,406)	(30,406)	-	(30,406)
Other comprehensive income	-	-	-	(108,210)	-	(108,210)	30	(108,180)
Total comprehensive loss for the period	-	-	-	(108,210)	(30,406)	(138,616)	30	(138,586)
Balance at 31 March 2025 (Unaudited)	31,862,423	94,506	(3,368,631)	(3,689,742)	(23,701,728)	1,196,828	(21,224)	1,175,604

The notes set out on pages 8 - 16 form an integral part of this interim condensed consolidated financial information.

**Interim condensed consolidated statement of cash flows
For the Three months ended 31 March 2026**

	Three months ended 31 March 2026 (Unaudited) KD	Three months ended 31 March 2025 (Unaudited) KD
<u>OPERATING ACTIVITIES</u>		
Loss for the period	(40,707)	(30,406)
<u>Adjustments for:</u>		
Change in fair value of investments at fair value through profit or loss	393	-
Provision for employees' end of service benefits	916	358
	(39,398)	(30,048)
<u>Changes in operating assets and liabilities:</u>		
Other assets	100	-
Due from related parties	38,719	(13,844)
Payables and other liabilities	568	8,009
Net cash used in operating activities	(11)	(35,883)
Decrease in cash and cash equivalents	(11)	(35,883)
Cash and cash equivalents at beginning of the period	954	37,015
Cash and cash equivalents at end of the period	943	1,132

The notes set out on pages 8 - 16 form an integral part of this interim condensed consolidated financial information.

**Notes to the interim condensed consolidated financial information
For the Three months ended 31 March 2026**

1 Incorporation and activities

Ekttitab Holding Company – KPSC (“the Parent Company”) was established on 1999. The Parent Company’s shares are listed on Kuwait Stock Exchange on 19 December 2005.

The group includes the parent company and its subsidiaries. Details of the subsidiaries are shown in note (6).

The purposes for which the parent company was established are:

- Owning shares in Kuwaiti or foreign joint stock companies, as well as owning shares or stakes in Kuwaiti or foreign limited liability companies, or participating in establishing these companies of both types, managing them, lending to them, and guaranteeing them with others.
- Lending to companies in which it owns 20% or more of the capital to borrowing companies and guaranteeing these companies with others.
- Owning industrial property rights such as patents, industrial trademarks, industrial fees, or any other rights related to that, and leasing them to other companies to exploit them, whether inside or outside Kuwait.
- Owning movable and immovable property necessary to carry out its activity within the limits permitted by law.
- Exploiting the financial surpluses available to the company by investing them in financial portfolios managed by specialized companies and entities.

The group also operates in accordance with the provisions of Islamic Sharia.

The address of the Parent Company's registered offices is: Sharq - Muhammed Saleh Yousef Bhabani Complex – Floor 16 - State of Kuwait

The interim condensed consolidated financial information for the Three-months period ended 31 March 2026 (including comparatives) was authorized for issue by the directors of the Parent Company on 13 May 2026.

2 Basis of presentation

This interim condensed consolidated financial information of the Group for the Three-months period ended 31 March 2025 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. 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 changes disclosed in Note No. (3).

The annual consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the International Accounting Standards Board (IASB).

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

The interim condensed consolidated financial information does not include all the information and disclosures required for the preparation of complete financial statements in accordance with International Accounting Standards. In the opinion of the Group’s management, all adjustments consisting of normal recurring accruals that are necessary for a fair presentation have been included.

The results of operations for the Three months ended 31 March 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending 31 December 2026. For further details, please refer to the consolidated financial statements for the year ended 31 December 2025 and the disclosures therein.

**Notes to the interim condensed consolidated financial information
For the Three months ended 31 March 2026**

3 New standards and amendments to applicable standards

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those applied in the previous year except for the changes resulting from the adoption of certain new and amended International Financial Reporting Standards (IFRS) that are effective from 1 January 2026. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. Below is a summary of the new IFRSs or amendments to existing IFRSs that are effective for the current period:

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

The IASB issued Amendments to the Classification and Measurement of Financial Instruments in response to feedback received as part of the post-implementation review of the classification and measurement requirements in IFRS 9 Financial Instruments and related requirements in IFRS 7 Financial Instruments: Disclosures. The IASB amended to the requirements related to:

- Settling financial liabilities using an electronic payment system; and
- Assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features.

The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Annual Improvements to IFRS Accounting Standards - Amendments to:

IFRS 1 - First-time Adoption of International Financial Reporting Standards.

IFRS 7 - Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7.

IFRS 9 - Financial Instruments.

IFRS 10 - Consolidated Financial Statements; and

IAS 7 - Statement of Cash flows.

The annual improvements process aims to improve the clarity and internal consistency of IFRS® Accounting Standards. In this volume of improvements, the International Accounting Standards Board (IASB) makes minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards¹. The amendments to IFRS 9 address:

- A conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- How a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The amendment on trade receivables may require some companies to change their accounting policy.

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.

**Notes to the interim condensed consolidated financial information
For the Three months ended 31 March 2026**

5 Basic of Accounting Concept (“Going Concern Principle”)

The condensed consolidated interim financial information for the Group for the three-month period ended 31 March 2026, has been prepared on a going concern basis, which assumes the Group's ability to realize its assets and settle its liabilities in the ordinary course of business. As of 31 March 2026, the Group's current liabilities exceeded its current assets by KD676,529 (KD506,166 as of 31 March 2025, and KD636,738 as of 31 December 2025).

As of 31 March 2026, Petro Integrated Business Company – K.S.C. (Closed) (“a subsidiary”) had accumulated losses of KD2,397,884, representing 86% of the subsidiary's share capital. (KD2,396,687, representing 86% of the total assets as of 31 March 2025, and KD2,397,492, representing 86% of the total assets as of 31 December 2025). Therefore, the condensed consolidated interim financial statements for the subsidiary were prepared by the Group's management on a going concern basis. According to Article 271 of the Kuwaiti Companies Law, the company must convene a general assembly meeting to consider the company's continuity or address the accumulated losses. However, the subsidiary's continuity depends on the continued provision of financial support from the parent company.

The Group's accumulated losses for the period ending 31 March 2026, amounted to KD23,866,411, representing 74.9% of the parent company's capital (KD23,701,728, or 74.4%, as of 31 March 2025, and KD23,825,706, or 74.8%, as of 31 December 2025). Although Kuwaiti Companies Law No. 1 of 2006 stipulates that 75% of a company's capital must be considered accumulated losses, this issue warrants attention for the Group's continued operation. Given the negative financial indicators, the parent company's situation in light of these losses, the losses of its subsidiaries, the decline in the value of its investments, and the decrease in the value of its receivables from related parties, we emphasize the need for the Group's management to take the necessary measures to address the accumulated losses and improve the quality of its investments and assets.

Based on the above, the condensed consolidated interim financial information for the Group for the three-month period ending 31 March 2026, assumes that the Group will continue its operations on a going concern basis.

On 4 May 2026, the Capital Markets Authority issued its decision approving the proposal of the parent company's board of directors to reduce the company's share capital to fully cover the accumulated losses (see Note 17). The reduction of the company's share capital is subject to the approval of the Extraordinary General Meeting of the company's shareholders and the regulatory authorities.

6 Subsidiaries

The condensed consolidated interim financial statements include the financial information of the parent company and its subsidiaries for the Three-months period ended 31 March 2026. Details of the consolidated subsidiaries are set out below:

Company Name	Country of incorporation	Ownership percentage			Principal activities
		31 March 2026 (Unaudited)	31 Dec. 2025 (Audited)	31 March 2026 (Unaudited)	
Ekttitab International Holding Group Co. WLL	Kuwait	%100	%100	%100	Holding
Petro Integrated Business Holding Co. KSCC (and its fully owned subsidiary) (Petro International Holding Co. SPC)	Kuwait	%99.46	%99.46	%99.46	Holding

- All balances, material transactions, realized and unrealized profits between the parent company and its subsidiaries are eliminated upon consolidation.

**Notes to the interim condensed consolidated financial information
For the Three months ended 31 March 2026**

6 Subsidiaries (continued)

- The interim financial information of the above subsidiaries has been consolidated based on management financial information prepared by the management of those companies for the Three months financial period ending 31 March 2026.
- The financial information of the subsidiary company (Ekttitab International Holding Group Co. - WLL) was collected at 100%, although the direct ownership percentage of the company according to the articles of incorporation of the subsidiary company is 50%, as the 50% percentage (indirect ownership) is registered in the name of a related party and there is an undocumented written waiver from him in Favor of the parent company.
- When preparing this interim condensed consolidated financial information as of 31 March 2026, the accumulated losses of the subsidiary (Petro Integrated Business Company – KSC (Closed) (the Parent Company) and its subsidiary (“the Group”)) based on the management financial information amounted to KD2,397,884 representing 86% of the subsidiary’s capital (see Note 5).

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

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

	Three months ended	
	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Loss for the period attributable to the shareholders of the Parent Company (KD)	(40,705)	(30,406)
Weighted average number of shares outstanding during the period (shares)	312,624,230	312,624,230
Basic and diluted loss per share attributable to the shareholders of the Parent Company	(0.13) Fils	(0.10) Fils

There are no diluted shares expected to be issued.

8 Investment in associate

Company Name	Country of incorporation	Ownership percentage			Principal activities
		31 March 2026 (Unaudited)	31 Dec. 2025 (Audited)	31 March 2025 (Unaudited)	
Reaya Takaful Insurance Co. KSCC	Kuwait	%44.48	%44.48	%44.48	Takaful Insurance

The movement of investment in associate during the period/year is as follows:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Fair value at beginning of the period/year	1	1	1
Fair value at end of the period / year	1	1	1

**Notes to the interim condensed consolidated financial information
For the Three months ended 31 March 2026**

6 Investment in associate (continued)

The Group's management valued its investment in the associate and its investments at fair value through other comprehensive income (Note 9), as of the valuation date of 31 December 2025 (the valuation report was issued on 30 April 2026). The investment in the associate was valued at zero Kuwaiti Dinars (KWD), and its book value was recorded at a nominal value of KD1.

The independent external valuer used the Net Assets Adjusted Method (NAV – Going Concern Approach) for all assets under valuation (the investment in the associate and the investments at fair value through other comprehensive income).

The Group's management did not provide us with audited financial statements for the associate as of 31 December 2025. Instead, we relied on the independent external valuation report dated 30 April 2026.

9 Investments at fair value through other comprehensive income

Investments at fair value through other comprehensive income are shown during the period/year as follows:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Quoted securities	3	3	5
Unquoted securities	1,744,248	1,697,042	1,697,042
Fair value at end of the period / year	1,744,251	1,697,045	1,697,047

The movement in investments at fair value through other comprehensive income during the period/year is as follows:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Fair value at beginning of the period/year	1,697,045	1,805,227	1,805,227
Change in fair value during the period / year	47,206	(108,182)	(108,180)
Fair value at end of the period / year	1,744,251	1,697,045	1,697,047

The Group recognized the change in the fair value of its investments measured at fair value through other comprehensive income, based on an valuation prepared by an independent external asset appraiser. The valuation was conducted as of 31 December 2025 (the valuation report was issued on 30 April 2026), and the change was recorded under other comprehensive income.

It was also reflected directly in the condensed interim statement of changes in equity under the fair value reserve.

The independent external appraiser used the adjusted net asset value (NAV – going concern) approach for all assets assessed, namely investments in associates and investments measured at fair value through other comprehensive income.

The Group valued its investments in accordance with the requirements of IFRS (13) Fair Value Measurement. The objective of fair value measurement is to estimate the price at which an orderly sale of an asset or transfer of a liability would occur between market participants at the measurement date under current market conditions.

**Notes to the interim condensed consolidated financial information
For the Three months ended 31 March 2026**

10 Investment at fair value through profit or loss

Investments at fair value through profit or loss are shown during the period/year as follows:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Quoted securities	4,346	4,739	4,532
Local unquoted funds	1	1	1
	4,347	4,740	4,533

11 Share capital

The authorized, issued and fully paid-up capital of the parent company is KD31,862,423, distributed over 318,624,230 shares with a nominal value of 100 Kuwaiti Fils per share (KD31,862,423 distributed over 318,624,230 shares with a nominal value of 100 Kuwaiti Fils per share on 31 December 2025 and 31 March 2025) and all capital shares are in cash.

12 Payables and other liabilities

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Accrued expenses	207,540	206,972	137,038
Tax deductions	248,543	248,543	248,543
Cash Dividend Creditors	23,583	23,583	23,583
	479,666	479,098	409,164

13 Related party transactions

Related parties in the Group include the members of the Board of Directors and key management personnel of the Company, other related parties, major shareholders and companies in which the members of the Board of Directors and key management personnel of the Group own major shares or can exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

Details of significant related party balances and transactions are as follows:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Interim condensed consolidated statement of financial position:			
Due from related parties (Below – a)	1	1	1
Due to related parties	205,579	166,860	105,844

a. The details of the amounts due from related parties are shown as follows:

	31 March 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	31 March 2025 (Unaudited) KD
Due from related parties	3,774,838	3,774,838	3,776,818
Less: Provision for credit loss	(3,774,837)	(3,774,837)	(2,671,049)
	1	1	1,105,769

**Notes to the interim condensed consolidated financial information
For the Three months ended 31 March 2026**

14 Annual general assembly

As of the date of preparing this interim condensed consolidated financial information, the General Assembly of Shareholders has not been held to approve the financial statements for the fiscal year ending 31 December 2025.

The Ordinary General Assembly of Shareholders held on 27 May 2025, approved the audited financial statements for the year ended 31 December 2024, and the Board of Directors' proposal not to distribute dividends to shareholders for the financial year ended 31 December 2024. The Board of Directors' proposal not to pay bonuses to members of the Board of Directors for the financial year ended 31 December 2024 was also approved.

15 Fair value measurement

Fair value measurement of financial assets

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 valuation date. The fair values of all financial instruments are not materially different from their carrying values. The carrying values of financial assets and liabilities that are liquid or have short-term maturities (less than three months) approximate their fair values.

The Group uses the following hierarchy to determine and disclose the fair value of financial assets by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 2: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The carrying values of financial assets and liabilities carried at amortized cost are not materially different from their fair values as most of the financial assets and liabilities have short maturities or have been repriced directly based on market movements in interest rates. The valuation method and techniques used to measure fair value have not changed compared to the previous period.

The following table shows the analysis of financial instruments carried at fair value by level in the fair value hierarchy:

31 March 2026 (Unaudited)	Level 1	Level 2	Level 3	Total
Financial Assets at fair value	KD	KD	KD	KD
Investments at fair value through other comprehensive income:				
Quoted securities	3	-	-	3
Unquoted securities	-	-	1,744,248	1,744,248
	3	-	1,744,248	1,744,251
Investments at fair value through profit or loss:				
Quoted securities	4,346	-	-	4,346
Local unquoted funds	-	1	-	1
	4,346	1	-	4,346

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15. Fair value measurement (continued)

<u>31 March 2025 (Unaudited)</u>	Level 1	Level 2	Level 3	Total
Financial Assets at fair value	KD	KD	KD	KD
Investments at fair value through other comprehensive income:				
Quoted securities	5	-	-	5
Unquoted securities	-	-	1,697,042	1,697,042
	5	-	1,697,042	1,697,047
Investments at fair value through profit or loss:				
Quoted securities	4,532	-	-	4,532
Local unquoted funds	-	1	-	1
	4,532	1	-	4,533
<u>31 December 2025 (Audited)</u>	Level 1	Level 2	Level 3	Total
Financial Assets at fair value	KD	KD	KD	KD
Investments at fair value through other comprehensive income:				
Quoted securities	3	-	-	3
Unquoted securities	-	-	1,697,042	1,697,042
	3	-	1,697,042	1,697,045
Investments at fair value through profit or loss:				
Quoted securities	4,739	-	-	4,739
Local unquoted funds	-	1	-	1
	4,739	1	-	4,739

There were no transfers between the first, second and third levels of the hierarchy above.

Investments in quoted and unquoted shares

Investments in quoted shares represent all listed ordinary shares that are generally traded in the stock exchanges, while investments in unquoted shares represent all investments that are carried at cost or fair value as estimated by management due to the lack of information about their market value. Fair values were determined by reference to the latest price quotations at the reporting date.

Unquoted investments (included in investments at fair value through other comprehensive income) were valued by an independent external valuer (see Note 9).

Investments in portfolios and investment funds managed by others

Investments in portfolios and investment funds managed by others represent quoted and unquoted bonds, quoted and unquoted securities. The fair value was determined by reference to the latest reports received from the managers.

16 Lawsuits

There are potential lawsuits against the Group in the form of financial cases and claims pending before the courts at various levels with other parties. Their results cannot be determined until the date of preparing this condensed consolidated interim financial information, and the Group's management believes that it is not necessary to create any provisions for these lawsuits and claims until their results are determined.

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17 Subsequent events

Proposed Capital Reduction of the Parent Company:

The Board of Directors, at its meeting held on 28 April 2026, approved the reduction of the parent company's capital from KD31,862,423 to KD8,131,223, representing a reduction of KD23,731,200 (74.48%). This reduction aims to fully offset accumulated losses as of 31 December 2025, and to utilize the statutory reserve balance by cancelling ordinary shares, as per the report prepared by the Board of Directors. (The capital reduction is subject to the approval of the Extraordinary General Meeting of the company's shareholders and the regulatory authorities.)

On 4 May 2026, the Capital Markets Authority approved the request submitted by the Group's management to reduce the parent company's capital as follows:

- Cancellation of the statutory reserve balance of KD94,506 to offset a portion of the accumulated losses.
- The capital will be reduced from KD31,862,423 to KD8,131,223, a decrease of KD23,731,200, representing a 74.48% reduction. This will be achieved by cancelling 237,312,000 shares at a par value of 100 Kuwaiti fils per share to fully offset accumulated losses.

As of the date of this condensed consolidated interim financial information, the Extraordinary General Meeting of Shareholders has not yet been convened to approve the Board of Directors' proposal for the proposed capital reduction. The parent company is still awaiting approval from the Ministry of Commerce and Industry to hold the Extraordinary General Meeting.