

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

31 MARCH 2026



**Shape the future
with confidence**

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 31 March 2026, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-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.

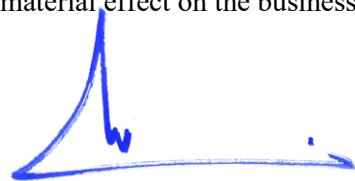
Conclusion

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 three-month period ended 31 March 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 three-month period ended 31 March 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 A
EY
AL-AIBAN, AL-OSAIMI & PARTNERS

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 31 March 2026

	Notes	Three months ended	
		31 March	
		2026	2025
		KD	KD
Operating revenue	4	5,894,770	5,452,559
Operating costs	4	(3,018,146)	(3,266,121)
Net results from hotel operations	4	2,876,624	2,186,438
Net income from Sukuk		506,864	444,591
Net income from investment properties	6.b	289,662	301,223
Income from wakala receivables		18,570	25,231
Unrealised (loss) gain from financial assets at fair value through profit or loss		(645)	26,311
Share of results of associates	7	1,244,774	1,409,573
Other income		58,073	172,625
General and administrative expenses		(307,045)	(290,385)
Depreciation of furniture and equipment		(12,395)	(13,202)
Management fees income	8	196,535	205,009
Finance costs on Islamic finance payables	8	(367,705)	(450,352)
Finance costs on lease obligations		(199,183)	(208,677)
Finance costs arising on the unwinding of discount on long-term provisions and liabilities		-	(46,966)
Net foreign exchange differences		220,362	37,905
Reversal of expected credit losses - net		1,416	859
PROFIT BEFORE TAX		4,525,907	3,800,183
Overseas taxation		(37,195)	(86)
Contribution to Kuwait Foundation for the Advancement of Sciences (“KFAS”)		(40,128)	(26,298)
National Labour Support Tax (“NLST”)		(96,863)	(76,525)
Zakat		(38,745)	(30,610)
PROFIT FOR THE PERIOD		4,312,976	3,666,664
Attributable to:			
Equity holders of the Parent Company		3,709,636	3,320,085
Non-controlling interests		603,340	346,579
PROFIT FOR THE PERIOD		4,312,976	3,666,664
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	5	11.52 Fils	10.31 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 31 March 2026

	<i>Three months ended</i>	
	<i>31 March</i>	
	2026	2025
	KD	KD
PROFIT FOR THE PERIOD	4,312,976	3,666,664
Other comprehensive (loss) income		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(119,975)	(23,487)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(119,975)	(23,487)
<i>Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods:</i>		
Net (loss) gain on equity instruments at FVOCI	(87,699)	103,963
Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods	(87,699)	103,963
Other comprehensive (loss) income for the period	(207,674)	80,476
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,105,302	3,747,140
Attributable to:		
Equity holders of the Parent Company	3,546,916	3,410,488
Non-controlling interests	558,386	336,652
	4,105,302	3,747,140

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 31 March 2026

		31 March 2026 KD	(Audited) 31 December 2025 KD	31 March 2025 KD
ASSETS				
Non-current assets				
Furniture and equipment		132,872	145,303	180,257
Right-of-use asset	6.a	39,534,476	40,101,205	41,451,148
Investment properties	6.b	11,564,650	11,645,920	11,933,710
Investment in associates	7	18,278,499	17,026,937	15,581,867
Investment securities		605,208	693,551	569,565
		<u>70,115,705</u>	<u>69,612,916</u>	<u>69,716,547</u>
Current assets				
Accounts receivable and prepayments		12,379,198	8,597,999	9,934,384
Trading properties		439,199	439,199	376,454
Wakala receivable		720,000	650,000	650,000
Bank balances and cash		4,424,228	4,865,675	7,366,158
		<u>17,962,625</u>	<u>14,552,873</u>	<u>18,326,996</u>
TOTAL ASSETS		<u><u>88,078,330</u></u>	<u><u>84,165,789</u></u>	<u><u>88,043,543</u></u>
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		(1,828,328)	(1,740,629)	(1,871,503)
Foreign currency translation reserve		(460,523)	(385,502)	(535,654)
Retained earnings		14,436,631	10,726,995	3,153,319
		<u>45,260,866</u>	<u>41,713,950</u>	<u>32,636,871</u>
Equity attributable to equity holders of the Parent Company		<u>45,260,866</u>	<u>41,713,950</u>	<u>32,636,871</u>
Non-controlling interests		(8,772,156)	(9,330,542)	(9,841,699)
		<u>36,488,710</u>	<u>32,383,408</u>	<u>22,795,172</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		837,735	833,836	785,619
Islamic finance payables	10	23,249,160	23,249,160	27,985,100
Obligations under finance lease		12,413,176	12,125,485	12,968,771
Accounts payable and accruals		-	-	4,666,693
		<u>36,500,071</u>	<u>36,208,481</u>	<u>46,406,183</u>
Current liabilities				
Islamic finance payables	10	4,735,940	4,735,940	4,735,940
Obligations under finance lease		1,309,600	1,339,040	1,351,840
Accounts payable and accruals		9,044,009	9,498,920	12,754,408
		<u>15,089,549</u>	<u>15,573,900</u>	<u>18,842,188</u>
Total liabilities		<u>51,589,620</u>	<u>51,782,381</u>	<u>65,248,371</u>
TOTAL EQUITY AND LIABILITIES		<u><u>88,078,330</u></u>	<u><u>84,165,789</u></u>	<u><u>88,043,543</u></u>

Nawaf Musaid Abdulaziz Al-Osaimi
Chairman

Eisa Najib Abdulmohsen Al-Eisa
Chief Executive Officer

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 CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2026

	<i>Equity attributable to equity holders of the Parent Company</i>							<i>Non-controlling interests</i> <i>KD</i>	<i>Total equity</i> <i>KD</i>
	<i>Share capital</i> <i>KD</i>	<i>Statutory reserve</i> <i>KD</i>	<i>Other reserve</i> <i>KD</i>	<i>Fair value reserve</i> <i>KD</i>	<i>Foreign currency translation reserve</i> <i>KD</i>	<i>Retained earnings/ (accumulated losses)</i> <i>KD</i>	<i>Sub-total</i> <i>KD</i>		
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	-	-	-	-	-	3,709,636	3,709,636	603,340	4,312,976
Other comprehensive loss for the period	-	-	-	(87,699)	(75,021)	-	(162,720)	(44,954)	(207,674)
Total comprehensive (loss) income for the period	-	-	-	(87,699)	(75,021)	3,709,636	3,546,916	558,386	4,105,302
At 31 March 2026	32,200,000	1,222,377	(309,291)	(1,828,328)	(460,523)	14,436,631	45,260,866	(8,772,156)	36,488,710
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	-	-	-	-	-	3,320,085	3,320,085	346,579	3,666,664
Other comprehensive income (loss) for the period	-	-	-	103,963	(13,560)	-	90,403	(9,927)	80,476
Total comprehensive income (loss) for the period	-	-	-	103,963	(13,560)	3,320,085	3,410,488	336,652	3,747,140
At 31 March 2025	32,200,000	-	(309,291)	(1,871,503)	(535,654)	3,153,319	32,636,871	(9,841,699)	22,795,172

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 CASH FLOWS (UNAUDITED)

For the period ended 31 March 2026

	Notes	Three months ended 31 March	
		2026 KD	2025 KD
OPERATING ACTIVITIES			
Profit before tax		4,525,907	3,800,183
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation of right-of-use asset	6.a	688,922	762,316
Valuation loss on investment properties	6.b	81,270	61,650
Unrealised loss (gain) from financial assets at fair value through profit or loss		645	(26,311)
Reversal of expected credit losses - net		(1,416)	(859)
Income from wakala receivables		(18,570)	(25,231)
Share of results of associates	7	(1,244,774)	(1,409,573)
Depreciation of furniture and equipment		12,395	13,202
Finance costs on Islamic finance payables	8	367,705	450,352
Finance costs on lease obligations		199,183	208,677
Finance costs arising on the unwinding of discount on long-term provisions and liabilities		-	46,966
Net foreign exchange differences		(220,362)	(37,905)
Provision for employees' end of service benefits		17,712	20,920
		4,408,617	3,864,387
<i>Working capital changes:</i>			
Accounts receivable and prepayments		(3,745,752)	(2,003,942)
Accounts payable and accruals		(877,103)	(1,571,679)
Cash flows (used in) from operations		(214,238)	288,766
Employees' end of service benefits paid		(13,827)	-
Taxes paid		(165,956)	-
Net cash flows (used in) from operating activities		(394,021)	288,766
INVESTING ACTIVITIES			
Purchase of furniture and equipment		(70)	(535)
Additions to right-of-use asset	6.a	(11,312)	(27,254)
Income received from wakala receivables		39,436	18,334
Net movement in wakala receivables		(70,000)	(50,000)
Proceeds from capital redemption of financial assets at FVOCI		-	52,705
Net cash flows used in investing activities		(41,946)	(6,750)
FINANCING ACTIVITIES			
Net repayment of obligations under finance lease		(9,000)	(9,000)
Net cash flows used in financing activities		(9,000)	(9,000)
NET (DECREASE) INCREASE IN BANK BALANCES AND CASH		(444,967)	273,016
Net foreign exchange difference		3,520	1,931
Bank balances and cash 1 January		4,865,675	7,091,211
BANK BALANCES AND CASH AT 31 MARCH		4,424,228	7,366,158

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

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 months ended 31 March 2026 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 7 May 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. (the “Aref”), a closed shareholding company incorporated and domiciled in Kuwait.

The Parent Company is principally engaged in the provision of investment and financial services in accordance with Islamic Shari’a principles as approved by the Group’s Fatwa and Shari’a Supervisory Board. The Group is principally engaged real estate activities and operations.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the three months ended 31 March 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements 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 recognize on the ‘settlement date’ and the introduction of an accounting policy choice (if specific conditions are met) to recognize 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

4 OPERATING REVENUE AND COSTS

	<i>Three months ended</i>	
	<i>31 March</i>	
	2026	2025
	KD	KD
Operating revenue		
Hotel revenue	5,894,770	5,452,559
Operating costs		
Hotel operating costs	(2,329,224)	(2,503,805)
Depreciation of right-of-use asset (Note 6.a)	(688,922)	(762,316)
	(3,018,146)	(3,266,121)
Net results from hotel operations	2,876,624	2,186,438

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.

	<i>Three months ended</i>	
	<i>31 March</i>	
	2026	2025
Profit for the period attributable to the equity holders of the Parent Company (KD)	3,709,636	3,320,085
Weighted average number of ordinary shares outstanding during the period (shares)	322,000,000	322,000,000
Basic and diluted EPS (Fils)	11.52	10.31

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 PROPERTIES

a. Right-of-use asset

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

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	2026	2025	2025
	KD	KD	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)	(688,922)	(3,066,697)	(762,316)
Additions	11,312	1,204,088	27,254
Exchange differences	110,881	(199,568)	22,828
At the end of the period/year	39,534,476	40,101,205	41,451,148

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

6 RIGHT-OF-USE ASSET AND INVESTMENT PROPERTIES (continued)

b. Investment properties

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

	<i>31 March</i> <i>2026</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2025</i> <i>KD</i>	<i>31 March</i> <i>2025</i> <i>KD</i>
At the beginning of the period/year	11,645,920	11,995,360	11,995,360
Net loss from fair value remeasurement	(81,270)	(349,440)	(61,650)
At the end of the period/year	11,564,650	11,645,920	11,933,710

The fair value of investment properties 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. For properties located in KSA, 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 81,270 (31 March 2025: KD 61,650) for the period then ended.

	<i>Three months ended</i> <i>31 March</i>	
	<i>2026</i> <i>KD</i>	<i>2025</i> <i>KD</i>
Net loss from fair value remeasurement	(81,270)	(61,650)
Rental income derived from investment properties	370,932	362,873
Net income from investment properties	289,662	301,223

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:

	<i>31 March</i> <i>2026</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2025</i> <i>KD</i>	<i>31 March</i> <i>2025</i> <i>KD</i>
At the beginning of the period/year	17,026,937	14,169,991	14,169,991
Share of results	1,244,774	2,995,952	1,409,573
Capital redemption*	-	(137,048)	-
Exchange differences	6,788	(1,958)	2,303
At the end of the period/year	18,278,499	17,026,937	15,581,867

*During the prior year, pursuant to the resolution of the partner's meeting of Athman Al Khalijya Company W.L.L. on 25 May 2025, the partners agreed to reduce the capital by KD 420,439, out of which the Parent Company's share has been recognised as KD 137,048.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

7 INVESTMENT IN ASSOCIATES (continued)

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 new 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 three months ended 31 March 2026 and 2025, as well as balances with related parties as at 31 March 2026, 31 December 2025 and 31 March 2025:

	<i>Major shareholder of the Ultimate Parent Company</i> <i>KD</i>	<i>Associates</i> <i>KD</i>	<i>Other related parties</i> <i>KD</i>	<i>Three months ended 31 March</i>	
				<i>2026</i> <i>KD</i>	<i>2025</i> <i>KD</i>
Interim condensed consolidated statement of profit or loss:					
Management fees income	-	142,178	54,357	196,535	205,009
Income from wakala receivables	1,961	-	-	1,961	-
Finance costs	(367,705)	-	-	(367,705)	(450,352)
Management fees expense (<i>included in operating costs</i>)	-	-	(57,953)	(57,953)	(312,456)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

8 RELATED PARTY DISCLOSURES (continued)

	<i>Major shareholder of the Ultimate Parent Company KD</i>	<i>Parent Company KD</i>	<i>Major shareholders KD</i>	<i>Associates KD</i>	<i>Other related parties KD</i>	<i>31 March 2026 KD</i>	<i>(Audited) 31 December 2025 KD</i>	<i>31 March 2025 KD</i>
Interim condensed consolidated statement of financial position:								
Financial asset at FVPL	-	-	-	-	212,448	212,448	213,094	112,347
Financial asset at FVOCI	-	-	330,308	-	29,117	359,425	447,123	423,883
Bank balances and cash	2,177,380	-	-	-	-	2,177,380	3,209,402	2,233,838
Accounts receivable and prepayments - net of provisions	-	1,034	-	-	12,060,928	12,061,962	7,918,672	9,654,580
Accounts payable and accruals	-	-	29,414	511,006	541,506	1,081,926	599,927	1,075,868
Overseas taxation	-	57,355	123,364	326,501	527,466	1,034,686	952,527	911,677
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:

	<i>Balances outstanding as at</i>			<i>Transaction values for period ended</i>	
	<i>31 March 2026 KD</i>	<i>31 December 2025 KD</i>	<i>31 March 2025 KD</i>	<i>31 March 2026 KD</i>	<i>31 March 2025 KD</i>
Salaries and short-term benefits	83,605	85,435	78,640	79,765	72,002
Post-employment benefits	371,634	362,512	334,857	9,218	7,976
	455,239	447,947	413,497	88,983	79,978

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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 (2024: KD 10,000). This proposal was subsequently approved by the shareholders at the annual general assembly meeting (“AGM”) held on 13 April 2026.

9 SHARE CAPITAL

	<i>31 March</i> <i>2026</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2025</i> <i>KD</i>	<i>31 March</i> <i>2025</i> <i>KD</i>
Authorised, issued and paid-up share capital consists of 322,000,000 (31 December 2025: 322,000,000 and 31 March 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

	<i>31 March</i> <i>2026</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2025</i> <i>KD</i>	<i>31 March</i> <i>2025</i> <i>KD</i>
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%; 31 March 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 OF FINANCIAL INSTRUMENTS

Fair value hierarchy

All 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 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.

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.

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11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Set out below that are 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:

	<i>Fair value measurement using</i>			<i>Total KD</i>
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant observable inputs (Level 2) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	
<i>As at 31 March 2026</i>				
Financial assets at FVOCI	330,308	-	29,117	359,425
Financial assets at FVPL	-	-	245,783	245,783
	<u>330,308</u>	<u>-</u>	<u>274,900</u>	<u>605,208</u>
<i>As at 31 December 2025 (Audited)</i>				
Financial assets at FVOCI	417,399	-	29,724	447,123
Financial assets at FVPL	-	-	246,428	246,428
	<u>417,399</u>	<u>-</u>	<u>276,152</u>	<u>693,551</u>
<i>As at 31 March 2025</i>				
Financial assets at FVOCI	298,977	-	124,906	423,883
Financial assets at FVPL	-	-	145,682	145,682
	<u>298,977</u>	<u>-</u>	<u>270,588</u>	<u>569,565</u>

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.

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:

	<i>Level 3 securities</i>		<i>Total KD</i>
	<i>Financial assets at FVOCI KD</i>	<i>Financial assets at FVPL KD</i>	
<i>31 March 2026</i>			
As at 1 January 2026	29,724	246,428	276,152
Remeasurement recognised in OCI	(607)	-	(607)
Remeasurement recognised in profit or loss	-	(645)	(645)
As at 31 March 2026	<u>29,117</u>	<u>245,783</u>	<u>274,900</u>

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11 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair values (continued)

	<i>Level 3 securities</i>		
	<i>Financial assets at FVOCI</i>	<i>Financial assets at FVPL</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 December 2025 (Audited)</i>			
As at 1 January 2025	105,511	119,371	224,882
Remeasurement recognised in OCI	(23,082)	-	(23,082)
Remeasurement recognised in profit or loss	-	127,057	127,057
Redemptions	(52,705)	-	(52,705)
As at 31 December 2025	<u>29,724</u>	<u>246,428</u>	<u>276,152</u>
<i>31 March 2025</i>			
As at 1 January 2025	105,511	119,371	224,882
Remeasurement recognised in OCI	72,100	-	72,100
Remeasurement recognised in profit or loss	-	26,311	26,311
Redemptions	(52,705)	-	(52,705)
As at 31 March 2025	<u>124,906</u>	<u>145,682</u>	<u>270,588</u>

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.

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. 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.

For other financial assets and financial liabilities carried at amortised cost, the carrying value is not significantly different from their fair value as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in profit rates.

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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 31 March 2026 and 2025 and assets and liabilities as at 31 March 2026, 31 December 2025 and 31 March 2025.

	<i>31 March 2026 (Unaudited)</i>			
	<i>Kuwait KD</i>	<i>KSA KD</i>	<i>Other KD</i>	<i>Total KD</i>
<i>Interim condensed consolidated statement of profit or loss</i>				
Revenues	203,074	6,782,605	1,992	6,987,671
Segment results	(203,140)	4,582,432	(66,316)	4,312,976
<i>Other disclosures</i>				
Depreciation and amortisation	(10,993)	(688,922)	(1,402)	(701,317)
Reversal of expected credit losses, net	-	1,416	-	1,416
	<i>31 March 2025 (Unaudited)</i>			
	<i>Kuwait KD</i>	<i>KSA KD</i>	<i>Other KD</i>	<i>Total KD</i>
<i>Interim condensed consolidated statement of profit or loss</i>				
Revenues	249,508	6,224,612	16,143	6,490,263
Segment results	(121,249)	3,821,590	(33,677)	3,666,664
<i>Other disclosures</i>				
Depreciation and amortisation	(12,854)	(762,317)	(347)	(775,518)
Reversal of expected credit losses, net	859	-	-	859
	<i>31 March 2026 (Unaudited)</i>			
	<i>Kuwait KD</i>	<i>KSA KD</i>	<i>Other KD</i>	<i>Total KD</i>
<i>Interim condensed consolidated statement of financial position</i>				
Total assets	5,981,035	81,419,541	677,754	88,078,330
Total liabilities	7,403,454	44,186,166	-	51,589,620
	<i>31 December 2025 (Audited)</i>			
	<i>Kuwait KD</i>	<i>KSA KD</i>	<i>Other KD</i>	<i>Total KD</i>
<i>Consolidated statement of financial position</i>				
Total assets	6,893,052	76,538,694	734,043	84,165,789
Total liabilities	8,331,899	43,450,482	-	51,782,381

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

12 SEGMENT INFORMATION (continued)

	31 March 2025 (Unaudited)			
	<i>Kuwait KD</i>	<i>KSA KD</i>	<i>Other KD</i>	<i>Total KD</i>
<i>Interim condensed consolidated statement of financial position</i>				
Total assets	5,669,506	81,707,237	666,800	88,043,543
Total liabilities	5,807,447	59,422,899	18,025	65,248,371

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 impacts on the overall valuation of the property that require specific adjustment beyond those reflected in observable market prices and valuation inputs.

In assessing the carrying values of investment properties and other non-financial assets, management has not identified any indicators of impairment requiring recognition at the reporting date. However, future adverse developments in the geopolitical environment may result in changes to key valuation assumptions.

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.