

**MUBARRAD HOLDING COMPANY K.S.C.P. AND
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 MUBARRAD HOLDING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mubarrad Holding Company K.S.C.P. (the “Parent Company”) and subsidiaries (collectively, the “Group”) as at 31 March 2026, and the related interim condensed statement of profit or loss and other comprehensive income, interim condensed statement of changes in equity and interim condensed 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.

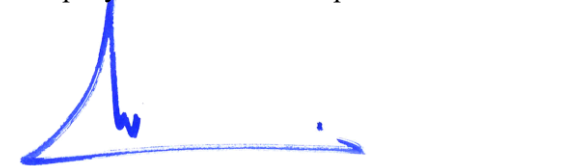
Conclusion

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 accounts 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 Articles of Association and Memorandum of Incorporation, 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.

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 the 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

13 May 2026
Kuwait

Mubarrad Holding Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 31 March 2026

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	2026	2025
		KD	KD
INCOME			
Net real estate income	3	542,204	512,090
Net investment income from financial assets		34,248	13,819
Share of result of associates	6	43,724	39,235
Other income		15,605	159
Total income		635,781	565,303
EXPENSES AND OTHER CHARGES			
Administrative expenses		(144,034)	(123,546)
Finance costs		(8,609)	(12,476)
Total expenses and other charges		(152,643)	(136,022)
PROFIT BEFORE TAX		483,138	429,281
Taxation from foreign subsidiary		(1,038)	(1,050)
Contribution to Kuwait Foundation for Advancement of Sciences (“KFAS”)		(4,348)	(3,853)
National Labour Support Tax (“NLST”)		(12,273)	(10,618)
Zakat		(4,909)	(3,215)
PROFIT FOR THE PERIOD		460,570	410,545
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT COMPANY (EPS)	4	2.81 fils	2.53 fils

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 31 March 2025

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2026</i>	<i>2025</i>
	<i>KD</i>	<i>KD</i>
PROFIT FOR THE PERIOD	460,570	410,545
Other comprehensive income (loss)		
<i>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(316,037)	17,086
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	144,533	427,631

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2025

	Notes	31 March 2026 KD	(Audited) 31 December 2025 KD	31 March 2025 KD
ASSETS				
Non-current assets				
Furniture and equipment		24,584	29,987	34,512
Investment properties	5	14,494,683	14,769,195	14,654,018
Investment in associates	6	3,656,032	3,671,298	3,757,453
Financial asset at fair value through profit or loss	10	1,194,845	1,258,006	1,183,597
		<u>19,370,144</u>	<u>19,728,486</u>	<u>19,629,580</u>
Current assets				
Accounts receivable and prepayments		956,954	674,913	235,807
Cash and term deposits	7	2,313,265	2,446,875	2,574,773
		<u>3,270,219</u>	<u>3,121,788</u>	<u>2,810,580</u>
TOTAL ASSETS		<u><u>22,640,363</u></u>	<u><u>22,850,274</u></u>	<u><u>22,440,160</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital		16,369,277	16,369,277	16,369,277
Statutory reserve		1,919,215	1,919,215	1,762,758
Treasury shares reserve		-	22,979	-
Other reserve		(1,432)	(1,432)	(1,432)
Foreign currency translation reserve		(5,544,059)	(5,228,022)	(5,312,080)
Retained earnings		7,431,729	7,766,644	7,708,768
Total equity		<u>20,174,730</u>	<u>20,848,661</u>	<u>20,527,291</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		449,279	441,500	418,722
Current liabilities				
Accounts payable and accruals		1,400,572	750,549	672,106
Islamic finance payables	5	615,782	809,564	822,041
		<u>2,016,354</u>	<u>1,560,113</u>	<u>1,494,147</u>
Total liabilities		<u>2,465,633</u>	<u>2,001,613</u>	<u>1,912,869</u>
TOTAL EQUITY AND LIABILITIES		<u><u>22,640,363</u></u>	<u><u>22,850,274</u></u>	<u><u>22,440,160</u></u>


Abdullah Mohammed Al-Shattl
Chairman

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2026

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Other reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
As at 1 January 2026	16,369,277	1,919,215	-	22,979	(1,432)	(5,228,022)	7,766,644	20,848,661
Profit for the period	-	-	-	-	-	-	460,570	460,570
Other comprehensive loss	-	-	-	-	-	(316,037)	-	(316,037)
Total comprehensive (loss) income for the period	-	-	-	-	-	(316,037)	460,570	144,533
Transfer of treasury shares reserve to retained earnings	-	-	-	(22,979)	-	-	22,979	-
Dividend (Note 11)	-	-	-	-	-	-	(818,464)	(818,464)
At 31 March 2026	16,369,277	1,919,215	-	-	(1,432)	(5,544,059)	7,431,729	20,174,730
As at 1 January 2025	16,369,277	1,762,758	(28,224)	16,862	(1,432)	(5,329,166)	7,275,244	20,065,319
Profit for the period	-	-	-	-	-	-	410,545	410,545
Other comprehensive income	-	-	-	-	-	17,086	-	17,086
Total comprehensive income for the period	-	-	-	-	-	17,086	410,545	427,631
Sale of treasury shares	-	-	28,224	6,117	-	-	-	34,341
Transfer of treasury shares reserve to retained earnings on disposal of treasury shares	-	-	-	(22,979)	-	-	22,979	-
At 31 March 2025	16,369,277	1,762,758	-	-	(1,432)	(5,312,080)	7,708,768	20,527,291

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mubarrad Holding Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 March 2026

	Notes	<i>Three months ended</i>	
		<i>31 March</i>	
		2026	2025
		KD	KD
OPERATING ACTIVITIES			
Profit before tax		483,138	429,281
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation		1,821	1,979
Profit from term deposits		(17,530)	(12,821)
Profit from savings accounts		(29)	(998)
Share of results of associates	6	(43,724)	(39,235)
Provision for employees' end of service benefits		7,779	8,605
Realised gain on sale of financial assets at fair value through profit or loss		(19,609)	-
Finance costs		8,609	12,476
		420,455	399,287
<i>Working capital adjustments:</i>			
Accounts receivable and prepayments		(204,199)	(28,969)
Accounts payable and accruals		(161,008)	(74,972)
Cash flows from operations		55,248	295,346
Employees' end of service benefits paid		-	(13,147)
Board of Directors' remuneration paid		(30,000)	-
Net cash flows from operating activities		25,248	282,199
INVESTING ACTIVITIES			
Net movement in term deposits		(302,793)	(546,868)
Profit received from term deposits		17,530	5,105
Profit received savings accounts		29	998
Proceeds from sale of financial assets at fair value through profit or loss		82,770	-
Net cash flows used in investing activities		(202,464)	(540,765)
FINANCING ACTIVITIES			
Repayment of Islamic finance payables		(202,391)	(202,391)
Proceeds from sale of treasury shares		-	34,341
Net cash flows used in financing activities		(202,391)	(168,050)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Net foreign exchange differences		(56,796)	(526)
Cash and cash equivalents at 1 January		834,285	1,631,772
CASH AND CASH EQUIVALENTS AT 31 MARCH	7	397,882	1,204,630

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mubarrad Holding 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

1.1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Mubarrad Holding 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 13 May 2026.

The shareholders of the Parent Company at the annual general assembly meeting ("AGM") held on 30 March 2026 approved the consolidated financial statements for the year ended 31 December 2025. Dividends declared by the Group for the year then ended are provided in Note 11.

The Parent Company is a public shareholding company incorporated and domiciled in the State of Kuwait, and whose shares are publicly traded in Boursa Kuwait.

The Parent Company's head office is located at Old Khaitan, Block 29, Street 22, Building 15, Mezzanine three Office #12, Kuwait.

The principal activities of the Group are described in Note 1.3

The Parent Company is a subsidiary of A'ayan Leasing and Investment Company K.S.C.P. (the "Ultimate Parent Company"), whose shares are publicly traded in Boursa Kuwait.

1.2 GROUP INFORMATION

Subsidiaries

The consolidated financial statements of the Group include:

			<i>% equity interest</i>		
	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>31 March 2026</i>	<i>31 December 2025</i>	<i>31 March 2025</i>
Mubarrad for Development and Limited Investment Company W.L.L.	Logistics Services	Sudan	100%	100%	100%
Emdad Equipment Leasing Company K.S.C (Closed)	Logistics Services	Kuwait	100%	100%	100%
Takatof Real Estate Co. E.S.C *	Real Estate	Egypt	98%	98%	98%

* The remaining shares in this subsidiary are held by other parties on behalf of the Group. Therefore, the effective ownership of the Group in this subsidiary is 100%.

1.3 PRINCIPAL ACTIVITIES

The main activities for which the Parent Company was incorporated are, as follows:

- ▶ Managing the Parent Company's subsidiaries and participating in managing other companies in which it holds ownership stakes and providing necessary support thereto.
- ▶ Investing funds through trading in shares, bonds, and other financial securities.
- ▶ Acquisition of properties and movables necessary to carry out business activities as allowable by the Law.
- ▶ Financing and extending loans to investee companies and providing guarantees to third parties, provided that the ownership of the Parent Company is not less than 20% in the capital of the lending company.
- ▶ Acquisition of industrial rights and related intellectual properties, trademarks, industrial models, franchises and other rights, and renting such properties and rights to subsidiaries and other companies, inside State of Kuwait or abroad.

All activities are conducted in accordance with Islamic Shari'a principles, as approved by the Parent Company's Fatwa and Shari'a Supervisory Board.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the three months ended 31 March 2026 have been prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” (“IAS 34”). The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The management considers that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinar (“KD”), which is also the functional currency of the Parent Company.

The interim condensed consolidated financial information does not include all of 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 for the year ended 31 December 2025.

2.2 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 used in the preparation of the 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 other standard, interpretation or amendment that has been issued but is not yet effective.

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

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 recognized 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 amendments did not have an impact on the Group’s interim condensed consolidated financial information.

Annual Improvements to IFRS Accounting Standards – Volume 11

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

The amendments did not have an impact on the Group’s interim condensed consolidated financial information.

Mubarrad Holding 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

3 NET REAL ESTATE INCOME

	<i>Three months ended</i>	
	<i>31 March</i>	
	2026	2025
	KD	KD
Rental income from investment properties	557,129	534,409
Real estate related expenses	(14,925)	(22,319)
	542,204	512,090

4 EARNINGS PER SHARE (EPS)

Basic 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 less treasury shares. Diluted EPS is calculated by dividing the profit 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 EPS are identical.

	<i>Three months ended</i>	
	<i>31 March</i>	
	2026	2025
Profit for the period (KD)	460,570	410,545
Weighted average number of shares outstanding during the period (shares) *	163,692,769	162,553,572
Basic and diluted EPS (Fils)	2.81	2.53

* *The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.*

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 require the restatement of EPS.

5 INVESTMENT PROPERTIES

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	2026	2025	2025
	KD	KD	KD
As at the beginning of the period/ year	14,769,195	14,640,635	14,640,635
Change in fair value	-	9,000	-
Exchange differences	(274,512)	119,560	13,383
As at the end of the period/ year	14,494,683	14,769,195	14,654,018

Included within investment properties, the following:

- ▶ Properties in the State of Kuwait with a carrying value of KD 6,350,000 (31 December 2025: KD 6,350,000 and 31 March 2025: KD 6,250,000) are pledged as security in order to fulfil collateral requirements of banking facilities obtained from a local financial institution amounting to KD 615,782 at the reporting date (31 December 2025: KD 809,564 and 31 March 2025: KD 822,041).

Mubarrad Holding 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

5 INVESTMENT PROPERTIES (continued)

The valuations of investment properties were performed at 31 December 2025 by two accredited independent valuers with recognised and relevant professional qualification and experience in the locations and categories of the investment properties being valued. As required by the Capital Market Authority (CMA), the Group has selected the lower of these valuations. The fair value is determined using a mix of the income capitalisation method and the market comparison approach considering the nature and usage of each property. Valuation of the Group's investment property portfolio is performed on an annual basis as management believes that there are no significant circumstances that have arisen during the interim reporting period, which may have a material impact on fair value.

6 INVESTMENT IN ASSOCIATES

The Group has the following investment in associates:

			<i>% equity interest</i>		
	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>31 March 2026</i>	<i>(Audited) 31 December 2025</i>	<i>31 March 2025</i>
Oman Integral Logistics Company O.S.C. (Closed) *	Logistics services	Oman	50%	50%	50%
Insha'a Al Ahlia Real Estate W.L.L.	Real estate	Kuwait	20%	20%	20%

A reconciliation of the carrying amount of the associates is set out below:

	<i>31 March 2026</i>	<i>(Audited) 31 December 2025</i>	<i>31 March 2025</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at the beginning of the period / year	3,671,298	3,779,286	3,779,286
Share of results	43,724	159,889	39,235
Dividends declared/received	(77,842)	(129,609)	(65,070)
Impairment of investment in associate	-	(112,822)	-
Exchange differences	18,852	(25,446)	4,002
As at the end of the period / year	3,656,032	3,671,298	3,757,453

7 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	<i>31 March 2026</i>	<i>(Audited) 31 December 2025</i>	<i>31 March 2025</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Cash and bank balances	397,882	834,285	1,204,630
Short-term deposits	1,915,383	1,612,590	1,370,143
Cash and short-term deposits	2,313,265	2,446,875	2,574,773
Less: term deposits with maturities of more than three months	(1,915,383)	(1,612,590)	(1,370,143)
Cash and cash equivalents	397,882	834,285	1,204,630

Mubarrad Holding 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 CASH AND CASH EQUIVALENTS (continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 3 and 6 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

8 RELATED PARTY DISCLOSURES

These represent transactions with certain parties (i.e. associates, Ultimate Parent, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise control or significant influence) entered into by the Group in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Group's management.

The following tables provides 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>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 assets at FVPL	847,451	847,451	847,451	725,243

Transactions with 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 with related parties were as follows:

	<i>Transaction values for the three months ended</i>		<i>Balance outstanding as at</i>		
	<i>31 March 2026 KD</i>	<i>31 March 2025 KD</i>	<i>31 March 2026 KD</i>	<i>31 December 2025 KD</i>	<i>31 March 2025 KD</i>
Salaries and other short-term benefits	21,855	15,571	25,034	22,974	25,796
Employees end of service benefits	2,817	2,879	141,798	138,977	130,375
Directors' remuneration	-	-	-	30,000	30,000
	24,672	18,450	166,832	191,951	186,171

The Board of Directors at the meeting held on 4 March 2026 proposed directors' remuneration of KD 30,000 for the year ended 31 December 2025. which has been approved by the shareholders of the Parent Company at the AGM held on 30 March 2025 and paid the directors' remuneration on the same date of approval.

Mubarrad Holding 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

9 SEGMENT INFORMATION

For management purposes, the Group is organised into four major business segments. The principal activities and services under these segments are as follows:

- ▶ **Real estate:** Buying, selling, capital appreciation and investing in real estate
- ▶ **Investment:** financial assets at fair value through profit or loss, investment in associate and investment properties.
- ▶ **Others:** revenues and expenses that are not allocated to the above sectors

	<i>31 March 2026</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Other unallocated amounts KD</i>	<i>Total KD</i>
Assets	14,494,683	4,850,877	3,294,803	22,640,363
Liabilities	615,782	8,980	1,840,871	2,465,633
Income	557,129	43,724	34,928	635,781
Segment results before tax	542,204	43,724	(102,790)	483,138
	<i>31 December 2025 (Audited)</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Others KD</i>	<i>Total KD</i>
Assets	14,769,195	4,929,304	3,151,775	22,850,274
Liabilities	809,564	-	1,192,049	2,001,613
	<i>31 March 2025</i>			
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Other unallocated amounts KD</i>	<i>Total KD</i>
Assets	14,654,018	4,987,808	2,798,334	22,440,160
Liabilities	822,041	28,639	1,062,189	1,912,869
Income	534,408	39,235	(8,340)	565,303
Segment results before tax	512,090	39,235	(122,044)	429,281

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

All financial instruments for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Mubarrad Holding 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

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

- ▶ 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 assets and liabilities that are recognised in the interim condensed consolidated financial information 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.

Valuation methods and assumptions

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

The following methods and assumptions were used to estimate the fair values:

Unquoted equity investments

The Group invests in private equity companies that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. Unquoted equity securities are valued based on dividend discount model and book value and price to book multiple method, multiples using latest financial statements available of the investee entities after considering for Discount for lack of marketability (DLOM) in the range of 20%-80%. The Group classifies the fair value of these investments as Level 3. The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

Real estate investment portfolio ("REIP")

The Group invests in a REIP which is not quoted in an active market and which may be subject to restrictions on redemptions such as lock-up periods. The fair value of the real estate investment portfolio is estimated using the Adjusted Net Asset Value ("Adjusted NAV") method. This involves updating the value of the underlying properties to reflect current market conditions, using external valuations. Key factors considered include rental income, occupancy, market prices and discount rates. Liabilities and taxes are also adjusted to reflect their current value. The portfolio is classified as a financial instrument because it represents an investment in a pooled structure, where investors hold units that can be typically traded or redeemed. These units give investors a proportional interest in the net assets of the portfolio, rather than direct ownership of the underlying properties. The Group classifies this portfolio as Level 3.

Other financial assets and liabilities at amortised cost

Fair value of other financial instruments is not materially different from their carrying values, at the reporting date, as most of these instruments are of short-term maturity or re-priced immediately based on market movement in interest rates. The fair value of financial assets and financial liabilities with a demand feature approximates their face value.

Reconciliation of Level 3 fair values

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

	<i>Unquoted securities and REIP</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>	<i>2025</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at the beginning of the period/ year	1,258,006	1,183,597	1,183,597
Disposals	(63,161)	122,208	-
Change in fair value	-	(47,799)	-
As at the end of the period/ year	1,194,845	1,258,006	1,183,597

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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.

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 would be immaterial if the relevant risk variables used to fair value the financial instruments classified as Level 3 were altered by 5 percent.

11 ANNUAL GENERAL MEETING AND DISTRIBUTION APPROVED

The Board of Directors in their meeting held on 4 March 2026, proposed a cash dividend of 5% of the paid-up share capital (5 fils per share aggregating to KD 818,464) for the year ended 31 December 2025 which were approved by the shareholders of the Parent Company at the AGM held on 30 March 2026 and recorded under 'accounts payable and accruals' as it has not been paid during the period (2024: the board of directors in their meeting held on 25 March 2025, proposed a cash dividend of 5% of the paid-up share capital (5 fils per share aggregating to KD 818,464) for the year ended 31 December 2024 which were approved by the shareholders of the Parent Company at the AGM held on 7 May 2025, hence effective the period ended 30 June 2025).

12 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.
- *Fair value volatility of investments*, particularly those exposed to emerging markets, energy-sensitive sectors, or regions indirectly affected by supply-chain disruptions and energy market instability.
- *Market liquidity risk*, including the ability to realise investments at quoted or observable market prices in periods of heightened volatility.
- *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 or investment portfolio's 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.

The Group maintains liquidity buffers and capital resources that management considers sufficient to meet its commitments and operating expenses as they fall due. The Group has assessed the potential impact of adverse market movements on its ability to realise investments or access funding, including under stressed market scenarios. No breaches of liquidity thresholds, investment restrictions, or capital management policies were identified as at the reporting date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2026

**12 IMPACT OF GEOPOLITICAL ESCALATION RISK AND RELATED UNCERTAINTY
(continued)**

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.