

**Injazzat Real Estate Development Company
K.S.C.P. and Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

30 SEPTEMBER 2025 (UNAUDITED)



**Shape the future
with confidence**

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Injazzat Real Estate Development Company K.S.C.P. (the “Parent Company”) and subsidiaries (collectively, the “Group”) as at 30 September 2025 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three-months and nine-months periods then ended, and interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-months period then ended. 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*”. 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 Memorandum of Incorporation and Articles of Association, as amended, have occurred during the nine-months period ended 30 September 2025 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 establishment of the Capital Markets Authority (“CMA”) and organization of security activities and its executive regulations, as amended, during the nine-months period ended 30 September 2025 that might have had a material effect on the business of the Parent Company or on its financial position.



SHEIKHA AL FULAIJ
LICENCE NO. 289A
EY
AL AIBAN, AL OSAIMI & PARTNERS

30 October 2025
Kuwait

Injazzat Real Estate Development Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the nine months ended 30 September 2025

	<i>Notes</i>	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
		2025	2024	2025	2024
		KD	KD	KD	KD
INCOME					
Rental income		887,778	739,151	2,524,968	2,187,310
Gain on disposal of investment properties		-	-	-	1,031,341
Distribution income from financial assets at fair value through profit or loss		423,050	128,669	620,473	384,456
Management fees		55,984	48,383	163,883	133,683
Interest income		111,569	174,302	350,483	480,403
Other income		27,832	29,959	55,209	60,775
Share of results of associates	6	297,458	273,542	993,189	1,301,084
Net foreign exchange loss		(12,841)	(41,213)	(46,461)	(59,947)
		1,790,830	1,352,793	4,661,744	5,519,105
EXPENSES					
Real estate operating costs		(279,374)	(303,288)	(808,326)	(865,963)
Staff costs		(116,044)	(189,363)	(504,728)	(587,080)
Depreciation		(35,656)	(38,864)	(106,403)	(106,154)
Administrative expenses		(48,645)	(30,718)	(166,765)	(138,660)
Consultancy and professional fees		(60,160)	(49,946)	(123,979)	(184,000)
Finance costs		(441,283)	(466,370)	(1,310,038)	(1,389,486)
		(981,162)	(1,078,549)	(3,020,239)	(3,271,343)
Profit before tax		809,668	274,244	1,641,505	2,247,762
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(7,166)	(2,468)	(14,411)	(20,230)
National Labour Support Tax (NLST)		(19,139)	(7,779)	(42,309)	(58,165)
Zakat		(7,656)	(3,111)	(16,925)	(23,267)
PROFIT FOR THE PERIOD		775,707	260,886	1,567,860	2,146,100
BASIC AND DILUTED EARNINGS PER SHARE	3	2.28 fils	0.77 fils	4.62 fils	6.34 fils

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

Injazzat Real Estate Development Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT COMPREHENSIVE INCOME (UNAUDITED)

For the nine months ended 30 September 2025

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2025	2024	2025	2024
	KD	KD	KD	KD
PROFIT FOR THE PERIOD	775,707	260,886	1,567,860	2,146,100
Other comprehensive loss:				
<i>Other comprehensive income that may be reclassified to interim condensed consolidated income in subsequent periods:</i>				
Share of other comprehensive loss of associates	(22,505)	(60,064)	(75,847)	(132,727)
Net exchange differences on translation of foreign operations	(23,758)	(106,507)	(348,792)	(169,227)
Other comprehensive loss	(46,263)	(166,571)	(424,639)	(301,954)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	729,444	94,315	1,143,221	1,844,146

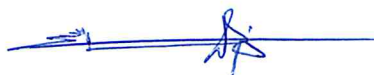
The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Injazzat Real Estate Development Company K.S.C.P. and Subsidiaries

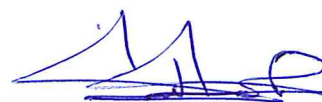
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2025

			(Audited)	
		30 September	31 December	30 September
		2025	2024	2024
	Notes	KD	KD	KD
ASSETS				
Non-current assets				
Property and equipment		351,810	399,915	430,782
Investment properties	5	54,426,689	51,581,752	49,869,887
Investment in associates	6	23,830,963	23,321,366	23,578,785
Financial assets at fair value through profit or loss		5,173,257	8,561,747	7,490,992
Accounts receivable and other assets		3,273,820	3,537,791	3,526,731
		<u>87,056,539</u>	<u>87,402,571</u>	<u>84,897,177</u>
Current assets				
Accounts receivable and other assets		2,972,084	3,102,233	3,140,403
Term deposits		474,585	464,868	501,268
Cash and cash equivalents	4	10,089,336	10,513,022	10,553,129
		<u>13,536,005</u>	<u>14,080,123</u>	<u>14,194,800</u>
TOTAL ASSETS		<u>100,592,544</u>	<u>101,482,694</u>	<u>99,091,977</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital	7.1	34,564,860	34,564,860	34,564,860
Share premium		2,869,130	2,869,130	2,869,130
Statutory reserve		10,120,823	10,120,823	9,797,519
Voluntary reserve		639,163	639,163	477,511
Treasury shares	7.2	(48)	(625,684)	(625,684)
Treasury shares reserve		5,299,663	4,723,846	4,723,846
Foreign currency translation reserve		1,526,673	1,951,312	1,548,715
Retained earnings		4,895,048	6,116,832	5,730,031
TOTAL EQUITY		<u>59,915,312</u>	<u>60,360,282</u>	<u>59,085,928</u>
LIABILITIES				
Non-current liabilities				
Loans and borrowings	9	9,250,000	36,500,000	36,500,000
Accounts payable and other liabilities		988,060	1,011,054	1,045,737
		<u>10,238,060</u>	<u>37,511,054</u>	<u>37,545,737</u>
Current liabilities				
Accounts payable and other liabilities		3,189,172	3,611,358	2,460,312
Loans and borrowings	9	27,250,000	-	-
		<u>30,439,172</u>	<u>3,611,358</u>	<u>2,460,312</u>
TOTAL LIABILITIES		<u>40,677,232</u>	<u>41,122,412</u>	<u>40,006,049</u>
TOTAL EQUITY AND LIABILITIES		<u>100,592,544</u>	<u>101,482,694</u>	<u>99,091,977</u>



Khaled Abdullah Merza
Chairman



Hamad Jassem Al Sadoun
CEO - Acting

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

Injazzat Real Estate Development Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 30 September 2025

	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total KD</i>
As at 1 January 2025 (Audited)	34,564,860	2,869,130	10,120,823	639,163	(625,684)	4,723,846	1,951,312	6,116,832	60,360,282
Profit for the period	-	-	-	-	-	-	-	1,567,860	1,567,860
Other comprehensive loss	-	-	-	-	-	-	(424,639)	-	(424,639)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(424,639)	1,567,860	1,143,221
Sale of treasury shares	-	-	-	-	48,420	61,534	-	-	109,954
Purchase of treasury shares	-	-	-	-	(6,442)	-	-	-	(6,442)
Interim dividend distribution (Note 7.3)	-	-	-	-	583,658	514,283	-	(1,097,941)	-
Cash dividend (Note 8)	-	-	-	-	-	-	-	(1,691,703)	(1,691,703)
As at 30 September 2025	34,564,860	2,869,130	10,120,823	639,163	(48)	5,299,663	1,526,673	4,895,048	59,915,312

	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total KD</i>
As at 1 January 2024 (Audited)	34,564,860	2,869,130	9,797,519	477,511	(625,684)	4,723,846	1,850,669	5,275,634	58,933,485
Profit for the period	-	-	-	-	-	-	-	2,146,100	2,146,100
Other comprehensive loss for the period	-	-	-	-	-	-	(301,954)	-	(301,954)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(301,954)	2,146,100	1,844,146
Cash dividend (Note 8)	-	-	-	-	-	-	-	(1,691,703)	(1,691,703)
As at 30 September 2024	34,564,860	2,869,130	9,797,519	477,511	(625,684)	4,723,846	1,548,715	5,730,031	59,085,928

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

Injazzat Real Estate Development Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the nine months ended 30 September 2025

		Nine months ended 30 September	
	Notes	2025 KD	2024 KD
OPERATING ACTIVITIES			
Profit before tax		1,641,505	2,247,762
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Gain on disposal of investment properties		-	(1,031,341)
Distribution income from financial assets at fair value through profit or loss		(620,473)	(384,456)
Share of results of associates	6	(993,189)	(1,301,084)
Depreciation of property and equipment		5,987	5,717
Depreciation of right-of-use assets		100,416	100,437
Interest income		(350,483)	(480,403)
Finance cost on lease liabilities		16,666	19,978
Finance costs		1,293,372	1,369,508
Provision for employees' end of service benefits		108,489	91,380
		1,202,290	637,498
<i>Working capital adjustments:</i>			
Accounts receivable and other assets		347,659	(766,713)
Accounts payable and other liabilities		229,620	(3,214,358)
Cash flows from (used in) operations		1,779,569	(3,343,573)
Employees' end of service benefits paid		(57,626)	(12,561)
KFAS paid		(28,569)	(112,202)
Taxes paid		(83,297)	(59,029)
Net cash flows from (used in) operating activities		1,610,077	(3,527,365)
INVESTING ACTIVITIES			
Additions to property and equipment		(6,505)	(868)
Additional contribution in investment in associates		-	(81,505)
Capital development expenditure incurred on investment properties	5	(3,093,150)	(1,359,686)
Proceeds from disposal of investment properties		-	9,931,341
Dividend received from investment in associates	6	407,745	405,956
Distribution income received from financial assets at fair value through profit or loss		620,473	384,456
Redemption of financial assets at fair value through profit or loss		3,388,490	-
Interest income received		350,483	480,403
Net movement in term deposits		(9,717)	(16,897)
Net cash flows from investing activities		1,657,819	9,743,200
FINANCING ACTIVITIES			
Repayment of bank loan		-	(10,000,000)
Proceeds of murabaha		-	10,000,000
Cash dividends paid	8	(1,691,703)	(1,691,703)
Finance costs paid		(1,935,240)	(1,911,972)
Sale of treasury shares		109,954	-
Purchase of treasury shares		(6,442)	-
Payment of lease liabilities		(114,033)	(107,123)
Net cash flows used in financing activities		(3,637,464)	(3,710,798)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(369,568)	2,505,037
Foreign currency adjustments		(54,118)	(13,392)
Cash and cash equivalents at 1 January		10,513,022	8,061,484
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	4	10,089,336	10,553,129
Non-cash items excluded from the interim condensed consolidated statement of cash flows:			
Additions to right-of-use assets (Property and equipment)		(51,793)	(46,935)
Additions to lease liabilities		51,793	46,935
Non-cash distribution of interim dividend adjusted against treasury shares and treasury shares reserve		1,097,941	-

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 September 2025

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Injazaat Real Estate Development Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2025 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 30 October 2025.

The Parent Company is a Kuwaiti shareholding company incorporated and domiciled in Kuwait and whose shares are publicly traded in Kuwait Stock Exchange (“Boursa Kuwait”). The Parent Company’s registered postal address is P.O. Box 970, Safat 13010, State of Kuwait.

The Group is principally engaged in real estate activities. The primary objectives of the Parent Company is as follows:

- ▶ Ownership, purchasing, sale and development of all kinds of investment properties with exception to residential properties inside and outside the state of Kuwait for the benefit of the Parent Company and on the behalf of others.
- ▶ Ownership and sale of financial assets, bonds relating to real estate companies for the benefit of the Parent Company alone inside and outside the State of Kuwait.
- ▶ Preparation and delivery of studies relating to real estate activities.
- ▶ Maintenance activities relating to the properties owned by the Parent Company including civil, mechanical, electrical works and all required works to sustain the state of the properties.
- ▶ Organisation of real estate conventions relating to the Parent Company’s projects in accordance with the regulations set out by the Ministry of Commerce.
- ▶ Hosting auctions.
- ▶ Ownership of malls and residential complexes and managing them.
- ▶ Ownership of hotels, health clubs, tourism related facilities and leasing and releasing them.
- ▶ Management, operating and leasing all types of investment properties.
- ▶ Establishment and management of real estate investment funds.
- ▶ It is permitted for the Parent Company to invest in managed funds managed by specialised managers.

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

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the nine months ended 30 September 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

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 2024.

Further, results for the nine months period ended 30 September 2025, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

30 September 2025

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES
(continued)**

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies and methods of computation 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 2024, except for the adoption of new amendments effective as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments had no impact on the Group's interim condensed consolidated financial information.

3 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit 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>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2025	2024	2025	2024
Profit for the period (KD)	775,707	260,886	1,567,860	2,146,100
Weighted average number of shares outstanding during the period (excluding treasury shares)	340,351,831	338,340,630	339,018,397	338,340,630
Basic and diluted earnings per share (EPS)	2.28 fils	0.77 fils	4.62 fils	6.34 fils

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.

Injazzat Real Estate Development Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 September 2025

4 CASH AND CASH EQUIVALENTS

The movement in carrying value of investment properties is as follows:

	30 September 2025 KD	<i>(Audited)</i> 31 December 2024 KD	30 September 2024 KD
Cash on hand	6,471	344	8,799
Bank balances	1,727,407	2,695,341	1,843,479
Cash and bank balances	1,733,878	2,695,685	1,852,278
Short-term deposits maturing within three months	8,355,458	7,817,337	8,700,851
	10,089,336	10,513,022	10,553,129

Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group with local and foreign financial institutions and carry an average effective interest rate of 4.1% (31 December 2024: 4.5% and 30 September 2024: 4.5%).

5 INVESTMENT PROPERTIES

The movement in carrying value of investment properties is as follows:

	30 September 2025 KD	<i>(Audited)</i> 31 December 2024 KD	30 September 2024 KD
At the beginning of the period/year	51,581,752	57,566,036	57,566,036
Capitalised borrowing costs	196,336	280,856	-
Capital expenditure on owned property	2,896,814	2,196,297	1,359,686
Disposals	-	(8,900,000)	(8,900,000)
Change in fair value	-	330,418	-
Exchange differences	(248,213)	108,145	(155,835)
At the end of the period / year	54,426,689	51,581,752	49,869,887

During the period, the Group incurred development expenditure, including borrowing cost amounting to KD 3,093,150 (31 December 2024: KD 2,477,153 and 30 September 2024: KD 1,359,686).

The fair value of investment properties was independently determined at 31 December 2024 by accredited independent valuers who are specialised in valuing such type of properties using a mix of income capitalization method and the market comparison approach considering the nature usage of each property. The valuation of the Group's investment properties is performed on an annual basis as management believes that there are no significant circumstance that have arisen during the period, which may have a significant impact on fair value.

Investment properties with a carrying value of KD 25,083,900 (31 December 2024: KD 22,072,375 and 30 September 2024: KD 20,831,993) are pledged as security in order to fulfil collateral requirements of certain bank loans (Note 9).

Injazzat Real Estate Development Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 September 2025

6 INVESTMENT IN ASSOCIATES

The movement in investment in associates is as follows:

	30 September 2025 KD	<i>(Audited)</i> 31 December 2024 KD	30 September 2024 KD
At the beginning of the period / year	23,321,366	22,734,879	22,734,879
Additional contribution	-	83,378	81,505
Dividend	(407,745)	(406,137)	(405,956)
Share of results for the period / year	993,189	913,272	1,301,084
Exchange differences	(75,847)	(4,026)	(132,727)
At the end of the period / year	23,830,963	23,321,366	23,578,785

As at 30 September 2025, investment in associates with a carrying value of KD 20,924,137 (31 December 2024: KD 20,842,714 and 30 September 2024: KD 20,403,604) are pledged as security in order to fulfil collateral requirements of certain bank loans (Note 9).

7 EQUITY

7.1 Share capital

At 30 September 2025, the authorised, issued and fully paid-up capital of the Parent Company comprised 345,648,600 (31 December 2024: 345,648,600 and 30 September 2024: 345,648,600) shares of 100 fils each. All shares are paid in cash.

7.2 Treasury shares

	30 September 2025	<i>(Audited)</i> 31 December 2024	30 September 2024
Number of treasury shares	558	7,307,970	7,307,970
Percentage of issued shares	0.0002%	2.11%	2.11%
Cost of treasury shares (KD)	48	625,684	625,684
Market value of treasury shares (KD)	96	738,105	738,105

Reserves equivalent to the cost of the treasury shares held are not available for distribution during the holding period of such shares.

Following the distribution of non-cash interim dividend, both treasury shares and the corresponding treasury share reserve were adjusted by KD 583,658 and KD 514,283 respectively (Note 7.3).

7.3 Interim dividend distribution

On 4 August 2025, the Board of Directors approved distribution of an interim non-cash dividend in the form of treasury shares at the rate of 2%. On 8 September 2025, the Parent Company distributed the related treasury shares to the shareholders. The non-cash dividend was recorded as a reduction in treasury shares of KD 583,658 with a corresponding adjustment to treasury shares reserve of KD 514,283 and retained earnings of KD 1,097,941.

8 ANNUAL GENERAL ASSEMBLY RESOLUTIONS

The annual general meeting (AGM) of the shareholders of the Parent Company held on 17 April 2025 approved the consolidated financial statements for the year ended 31 December 2024 and approved distribution of cash dividend of 5 fils per share (2023: 5 fils) amounting to KD 1,691,703 (2023: KD 1,691,703) and directors' remuneration of KD 70,000 (2023: KD 30,000) for the year then ended.

Injazzat Real Estate Development Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

INFORMATION (UNAUDITED)

30 September 2025

9 LOANS AND BORROWINGS

	<i>Currency</i>	<i>Effective interest rate (EIR)</i>	<i>30 September 2025 KD</i>	<i>(Audited) 31 December 2024 KD</i>	<i>30 September 2024 KD</i>
Bank borrowings	Kuwaiti Dinar	CBK discount rate Plus 1.25% to 1.50%	36,500,000	36,500,000	36,500,000
Total current			27,250,000	-	-
Total non-current			9,250,000	36,500,000	36,500,000

The Group's secured bank borrowings comprise of:

- ▶ Bank loan amount to KD 26,500,000 (31 December 2024: 26,500,000 and 30 September 2024: 26,500,000) from a credit facility having a cash limit of KD 34,150,000 (31 December 2024: KD 34,150,000 and 30 September 2024: KD 34,150,000), which carries a interest rate of 1.50% (31 December 2024: 1.50% and 30 September 2024: 1.50%) per annum over CBK discount rate and which is repayable by amounts KD 5,458,000 and KD 21,042,000 on 15 July 2026 and 15 August 2026 respectively.

The Bank has shown interest in renewing the credit facility at Groups request. Management expects the facility to be renewed within the next 12 months and to utilize the renewed facility to refinance the existing loan, and does not anticipate any liquidity issues that would prevent repayment or refinancing.

- ▶ Islamic financing amounting to KD 10,000,000 (31 December 2024: 10,000,000) from a financing facility having a cash limit of KD 20,000,000 (31 December 2024: 20,000,000), which carries a profit rate of 1.25 % (31 December 2024: 1.25%) per annum over CBK discount rate. The financed amount of KD 250,000 is repayable on quarterly basis during 2026, with an amount of KD 1,000,000 repayable annually from 2027 till 2030 and have final maturity payment of KD 5,000,000 on 31 March 2031.

Bank borrowings are secured over certain of the Group's investment properties and investment in associates (Notes 5 and 6).

10 RELATED PARTY DISCLOSURES

Related parties represent the major shareholders, associates, entities under common control, 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 significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

The following table provides the aggregate amounts of outstanding balances with related parties in the interim condensed consolidated statement of financial position:

	<i>30 September 2025 KD</i>	<i>(Audited) 31 December 2024 KD</i>	<i>30 September 2024 KD</i>
Receivables from associates	18,287	26,773	17,395
Receivables from major shareholder	3,256,899	3,457,592	3,446,101

Receivable from major shareholder represents receivable for sale of investment property, which carries an interest rate of 1.5% (2024: 1.5%) per annum over CBK discount rate and has no fixed maturity. It is also secured by an investment property registered in the name of the Group and can be called upon if the counterparty is in default under the terms of the agreement.

Injazzat Real Estate Development Company K.S.C.P. and Subsidiaries

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10 RELATED PARTY DISCLOSURES (continued)

The following table provides the aggregate amounts of transactions with related parties in the interim condensed consolidated statement of income:

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2025	2024	2025	2024
	KD	KD	KD	KD
Management fees from an associate	20,426	20,258	61,308	61,084
Management fees from major shareholder	3,421	2,749	9,672	8,250
Management fee from other related party *	11,592	-	35,105	-
Interest income on receivable from major shareholder	45,020	49,766	137,368	150,372
	80,459	72,773	243,453	219,706

* Other related party represents an entity controlled by one of the major shareholders.

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 related to key management personnel were as follows:

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2025	2024	2025	2024
	KD	KD	KD	KD
<i>Compensation of key management personnel of the Group</i>				
Salaries and short-term benefits	58,914	108,387	344,927	388,983
Employees' end of service benefits	8,373	16,853	32,690	44,589
	67,287	125,240	377,617	433,572

The directors' remuneration of KD 70,000 (2023: KD 70,000) for the year then ended 31 December 2024 was approved by the shareholders of the Parent Company during the AGM held on 17 April 2025.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date.

Fair values

The following table provides the fair value measurement hierarchy of the Group's financial instruments.

	<i>Fair value measurement using</i> <i>Significant unobservable inputs (Level 3)</i> <i>(Audited)</i>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	2025	2024	2024
	KD	KD	KD
<i>As at 30 September 2025</i>			
Financial assets at fair value through profit or loss:			
Unquoted equity securities	5,173,257	8,561,747	7,490,992

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11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

There were no transfers between Level 1 and Level 2 fair value measurements during the period/ year, and no transfers into or out of Level 3 fair value measurements during the period / year.

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 level 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

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:

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

<i>Financial assets at FVTPL</i>	<i>Non-listed equity investments</i> <i>KD</i>
30 September 2025	
As at 1 January 2025	8,561,747
Capital redemption	(3,388,490)
	<u>5,173,257</u>
As at 30 September 2025	
 <i>Financial assets at FVTPL</i>	 <i>Non-listed equity investments</i> <i>KD</i>
31 December 2024 (Audited)	
As at 1 January 2024	7,490,992
Remeasurement recognised in statement of income	1,070,755
	<u>8,561,747</u>
As at 31 December 2024	
 <i>Financial assets at FVTPL</i>	 <i>Non-listed equity investments</i> <i>KD</i>
30 September 2024	
As at 1 January 2024	7,490,992
	<u>7,490,992</u>
As at 30 September 2024	

The Group invests in structured entities that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. Since underlying assets are carried at fair value, the Group uses NAV based appropriate valuation techniques for underlying assets. The NAV of the investments is adjusted, as necessary, to reflect considerations such as Discount for lack of marketability (DLOM). Accordingly, such instruments are included within Level 3. The Group has also performed a sensitivity analysis by varying DLOM by 5%. Based on such analysis, there is no material impact on the interim condensed consolidated financial information.

Management assessed that the carrying value of financial instruments at amortised cost is not significantly different from their fair values as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

Injazzat Real Estate Development Company K.S.C.P. and its Subsidiaries

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12 SEGMENT INFORMATION

For management purposes, the Group's activities are concentrated in real estate investments. The Group's activities are concentrated in two main segments: Domestic (Kuwait) and International (Kingdom of Bahrain, United Arab Emirates, Europe and USA). The Group's segmental information is as follows:

	<i>Nine months ended 30 September 2025 (Unaudited)</i>			<i>Nine months ended 30 September 2024 (Unaudited)</i>		
	<i>Domestic KD</i>	<i>International KD</i>	<i>Total KD</i>	<i>Domestic KD</i>	<i>International KD</i>	<i>Total KD</i>
Rental income	132,750	2,392,218	2,524,968	132,750	2,054,560	2,187,310
Gain on disposal of investment properties	-	-	-	1,031,341	-	1,031,341
Distribution income from financial assets at fair value through profit or loss	-	620,473	620,473	-	384,456	384,456
Management fees	22,011	141,872	163,883	8,513	125,170	133,683
Interest income	336,012	14,471	350,483	460,228	20,175	480,403
Other income	1,412	53,797	55,209	282	60,493	60,775
Share of results of associates	-	993,189	993,189	-	1,301,084	1,301,084
Net foreign exchange loss	(46,461)	-	(46,461)	(59,947)	-	(59,947)
Total income	445,724	4,216,020	4,661,744	1,573,167	3,945,938	5,519,105
Real estate operating costs	(18,683)	(789,643)	(808,326)	(32,473)	(833,490)	(865,963)
Staff costs	(504,728)	-	(504,728)	(587,080)	-	(587,080)
Depreciation	(83,521)	(22,882)	(106,403)	(85,654)	(20,500)	(106,154)
Administrative expenses	(134,588)	(32,177)	(166,765)	(108,000)	(30,660)	(138,660)
Consultancy and professional fees	(116,149)	(7,830)	(123,979)	(169,040)	(14,960)	(184,000)
Finance costs	(386,960)	(923,078)	(1,310,038)	(240,317)	(1,149,169)	(1,389,486)
KFAS, NLST and Zakat	(73,645)	-	(73,645)	(101,662)	-	(101,662)
Total expenses and other charges	(1,318,274)	(1,775,610)	(3,093,884)	(1,324,226)	(2,048,779)	(3,373,005)
(LOSS) PROFIT FOR THE PERIOD	(872,550)	2,440,410	1,567,860	248,941	1,897,159	2,146,100

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12 SEGMENT INFORMATION (continued)

	<i>30 September 2025 (Unaudited)</i>			<i>31 December 2024 (Audited)</i>			<i>30 September 2024 (Unaudited)</i>		
	<i>Domestic KD</i>	<i>International KD</i>	<i>Total KD</i>	<i>Domestic KD</i>	<i>International KD</i>	<i>Total KD</i>	<i>Domestic KD</i>	<i>International KD</i>	<i>Total KD</i>
Total assets	32,294,594	68,297,950	100,592,544	24,759,926	76,722,768	101,482,694	21,393,420	77,698,557	99,091,977
Total liabilities	8,162,416	32,514,816	40,677,232	9,060,358	32,062,054	41,122,412	8,082,629	31,923,420	40,006,049
Commitments	13,310,952	-	13,310,952	15,734,819	-	15,734,819	16,382,574	-	16,382,574

Disaggregated revenue information

The following presents the disaggregation of the Group's revenue from contracts with customers (Management fee income and gain on disposal of investment properties):

<i>Timing of revenue recognition</i>	<i>Nine months ended 30 September 2025</i>			<i>Nine months ended 30 September 2024</i>		
	<i>Domestic KD</i>	<i>International KD</i>	<i>Total KD</i>	<i>Domestic KD</i>	<i>International KD</i>	<i>Total KD</i>
At a point of time	-	-	-	1,031,341	4,706	1,036,047
Over time	9,201	154,682	163,883	16,762	112,215	128,977
Total revenue from contracts with customers	9,201	154,682	163,883	1,048,103	116,921	1,165,024

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13 COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 30 September 2025, the Group had ongoing construction contracts with third parties and is consequently committed to future capital expenditure in respect of investment properties under development of KD 13,310,952 (31 December 2024: KD 15,734,819 and 30 September 2024: KD 16,382,574) There are no contractual commitments in respect of completed investment properties.

Contingencies

	30 September 2025 KD	<i>(Audited)</i> 31 December 2024 KD	30 September 2024 KD
Letters of guarantee	869,568	859,851	896,252

The Group has contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. Time deposits amounting to KD 474,585 (31 December 2024: KD 464,868 and 30 September 2024: KD 501,269) are restricted against letters of guarantee provided to the Group by its bank.

Legal claim contingency

The Group operates in the real estate industry and is subject to legal disputes with tenants in the normal course of business. Management does not believe that such proceedings will have a material effect on its results and financial position.

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