

Interim condensed consolidated financial information and review report

**Arzan Financial Group for Financing and Investment – KPSC
and its Subsidiaries**

Kuwait

30 September 2025 (Unaudited)

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Report on Review of Interim Condensed Consolidated Financial Information

To the board of directors of
Arzan Financial Group for Financing and Investment - KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Arzan Financial Group for Financing and Investment - KPSC (“the Parent Company”) and its subsidiaries (“the Group”) as at 30 September 2025 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three-month and nine-month periods then ended and, interim condensed consolidated changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. 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 the basis of preparation set out in Note 2.

Emphasis of Matter

We draw attention to Note 5.1 to the interim condensed consolidated financial information, which describes the possible material effects of uncertainty with respect to the Group’s exposure in Lebanon. Our conclusion is not modified in respect of this matter.

Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No.1 of 2016 and its Executive Regulations, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2025 that might have had a material effect on the business or financial position of the Parent Company.

Report on Review of Interim Condensed Consolidated Financial Information of Arzan Financial Group for Financing and Investment - KPSC (continued)

Report on review of other legal and regulatory requirements (continued)

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2025 that might have had a material effect on the business or financial position of the Parent Company.



Hend Abdullah Al Surayea
(Licence No. 141-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
9 November 2025

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended		Nine months ended	
		30 Sept. 2025 (Unaudited) KD	30 Sept. 2024 (Unaudited) KD	30 Sept. 2025 (Unaudited) KD	30 Sept. 2024 (Unaudited) KD
Income					
Income from instalment credit debtors		45,082	188,769	129,727	322,300
Revenue from contracts with customers		759,727	404,023	1,929,141	1,431,070
Realised profit from instalment sales		759,267	495,652	2,033,901	1,275,681
Gain on sale of property held for trading		639	-	52,762	-
Rental income		54,834	58,734	168,703	172,963
Interest income		261,996	177,908	700,838	393,381
Gain on sale of financial assets at fair value through profit or loss		82,203	614	742,408	203,600
Change in fair value of financial assets at fair value through profit or loss		1,289,110	7,955,432	2,476,615	9,505,092
Share of results of associates and joint ventures	13	10,120,686	515,662	17,384,096	2,900,437
Dividend income		745,099	662,502	4,644,950	4,169,334
(Loss)/profit on foreign currency exchange		(105,558)	(144,018)	(207,511)	839,372
Other income		88,668	59,544	205,341	177,327
(Provision)/reversal of provision for instalment credit debtors – net	8.3	(5,603)	117,136	11,057	100,848
(Provision)/reversal of provision for credit losses of restricted cash and cash equivalents	7.2	(9,465)	(51,523)	399	265,852
		14,086,685	10,440,435	30,272,427	21,757,257
Expenses and other charges					
Staff costs		(842,401)	(715,791)	(2,855,101)	(2,393,904)
General and administrative expenses		(549,864)	(457,846)	(1,760,432)	(1,424,672)
Finance costs		(966,201)	(535,063)	(2,289,696)	(1,467,051)
Depreciation		(53,609)	(54,806)	(170,185)	(163,462)
Provision for doubtful debts - net		(125,407)	(454,486)	(748,502)	(1,178,011)
		(2,537,482)	(2,217,992)	(7,823,916)	(6,627,100)
Profit for the period before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat					
		11,549,203	8,222,443	22,448,511	15,130,157
Provision for KFAS		(76,892)	(65,513)	(76,892)	(65,513)
Provision for NLST		(534,049)	(4,095)	(1,030,053)	(196,706)
(Provision)/reversal of provision for Zakat		(206,147)	4,804	(366,663)	(56,738)
Profit for the period		10,732,115	8,157,639	20,974,903	14,811,200
Attributable to:					
Owners of the Parent Company		10,351,049	7,879,850	19,737,736	13,202,438
Non-controlling interests		381,066	277,789	1,237,167	1,608,762
Profit for the period		10,732,115	8,157,639	20,974,903	14,811,200
Basic earnings per share attributable to the owners of the Parent Company (Fils)					
	6	11.418	8.851	21.773	14.838
Diluted earnings per share attributable to the owners of the Parent Company (Fils)					
	6	11.405	8.837	21.748	14.815

The notes set out on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended		Nine months ended	
	30 Sept. 2025 (Unaudited) KD	30 Sept. 2024 (Unaudited) KD	30 Sept. 2025 (Unaudited) KD	30 Sept. 2024 (Unaudited) KD
Profit for the period	10,732,115	8,157,639	20,974,903	14,811,200
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</i>				
Financial assets at fair value through other comprehensive income:				
- Net change in fair value arising during the period	13,187,171	7,671,086	39,966,747	29,424,496
Share of other comprehensive income of associates (Note 13)	1,558,121	41,755	2,423,331	298,112
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</i>				
Financial assets at fair value through other comprehensive income:				
- Net change in fair value arising during the period	-	25,768	88,201	(64,134)
Exchange differences arising on translation of foreign operations	(43,000)	(287,053)	(373,664)	(1,990,805)
Total other comprehensive income for the period	14,702,292	7,451,556	42,104,615	27,667,669
Total comprehensive income for the period	25,434,407	15,609,195	63,079,518	42,478,869
Attributable to:				
Owners of the Parent Company	18,696,266	14,535,932	44,475,031	32,535,644
Non-controlling interests	6,738,141	1,073,263	18,604,487	9,943,225
Total comprehensive income for the period	25,434,407	15,609,195	63,079,518	42,478,869

The notes set out on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Notes	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Assets				
Cash and cash equivalents	7.1	10,205,411	3,810,901	4,471,596
Term deposits	7.1	172,073	434,311	472,814
Instalment credit debtors	8	894,158	757,781	941,806
Financial assets at fair value through profit or loss	9	29,885,292	41,032,693	39,940,017
Accounts receivable and other assets	10	15,030,302	9,441,029	9,068,087
Assets held for sale	11	9,236,452	6,594,129	2,289,083
Properties held for trading		1,866,235	1,911,617	1,416,362
Financial assets at fair value through other comprehensive income	12	162,825,816	159,190,513	147,732,022
Investment in associates and joint venture	13	134,319,834	55,213,376	53,356,216
Properties under development		1,737,054	1,589,939	1,779,090
Investment properties		1,258,710	1,302,765	1,317,450
Property and equipment		1,796,649	1,919,698	1,934,610
Total assets		369,227,986	283,198,752	264,719,153
Liabilities and equity				
Liabilities				
Accounts payable and other liabilities	14	15,234,899	10,417,934	9,964,401
Term loans	15	2,996,000	2,196,000	2,080,000
Murabaha payable	16	61,537,076	41,482,130	34,466,839
Provision for employees' end of service benefits		2,068,259	1,892,415	1,864,834
Total liabilities		81,836,234	55,988,479	48,376,074
Equity				
Share capital	17	90,743,393	86,422,279	86,422,279
Share premium		9,355,213	9,355,213	9,355,213
Treasury shares	18	(332,278)	(243,811)	-
Treasury shares reserve		2,434,930	2,341,230	2,341,230
Statutory reserve		4,144,801	4,144,801	2,698,457
Voluntary reserve		2,987,967	2,987,967	1,541,623
Share based payments reserve		181,821	169,295	169,296
Foreign currency translation reserve		(6,707,620)	(6,311,708)	(6,595,427)
Fair value reserve		50,203,908	53,749,818	49,032,442
Retained earnings		60,881,465	19,671,447	21,218,613
Total equity attributable to the owners of the Parent Company		213,893,600	172,286,531	166,183,726
Non-controlling interests		73,498,152	54,923,742	50,159,353
Total equity		287,391,752	227,210,273	216,343,079
Total liabilities and equity		369,227,986	283,198,752	264,719,153



Jassem Hasan Zainal
Vice chairman and CEO

The notes set out on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company											Non-controlling interests	Total
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Share - based payment reserve KD	Foreign currency translation reserve KD	Fair value reserve KD	Retained earnings KD	Sub-Total KD	KD	KD
Balance at 31 December 2024 (Audited)	86,422,279	9,355,213	(243,811)	2,341,230	4,144,801	2,987,967	169,295	(6,311,708)	53,749,818	19,671,447	172,286,531	54,923,742	227,210,273
Bonus shares distributions (Note 24)	4,321,114	-	-	-	-	-	-	-	-	(4,321,114)	-	-	-
Cash dividends (Note 24)	-	-	-	-	-	-	-	-	-	(2,592,608)	(2,592,608)	-	(2,592,608)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(112,473)	(112,473)
Purchase of treasury shares	-	-	(360,554)	-	-	-	-	-	-	-	(360,554)	-	(360,554)
Sale of treasury shares	-	-	88	31	-	-	-	-	-	-	119	-	119
Cost of share-based payments	-	-	-	-	-	-	91,083	-	-	-	91,083	-	91,083
Distribution of share-based payments	-	-	271,999	93,669	-	-	(78,557)	-	-	(293,113)	(6,002)	-	(6,002)
Non-controlling interests resulting from increase of the capital of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	39,362	39,362
Net movement to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	43,034	43,034
Transactions with owners	4,321,114	-	(88,467)	93,700	-	-	12,526	-	-	(7,206,835)	(2,867,962)	(30,077)	(2,898,039)
Profit for the period	-	-	-	-	-	-	-	-	-	19,737,736	19,737,736	1,237,167	20,974,903
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(395,912)	25,133,207	-	24,737,295	17,367,320	42,104,615
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(395,912)	25,133,207	19,737,736	44,475,031	18,604,487	63,079,518
<i>Gain/(loss) on reclassification/disposal of financial assets at FVTOCI</i>													
Gain on reclassification (Note 12.3 & 12.4)	-	-	-	-	-	-	-	-	(28,679,946)	28,679,946	-	-	-
Gain on disposal	-	-	-	-	-	-	-	-	(2,853)	2,853	-	-	-
Impact of disposal from associate	-	-	-	-	-	-	-	-	3,682	(3,682)	-	-	-
	-	-	-	-	-	-	-	-	(28,679,117)	28,679,117	-	-	-
Balance as at 30 September 2025 (Unaudited)	90,743,393	9,355,213	(332,278)	2,434,930	4,144,801	2,987,967	181,821	(6,707,620)	50,203,908	60,881,465	213,893,600	73,498,152	287,391,752

The notes set out on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the Parent Company												Total KD
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Share - based payment reserve KD	Foreign currency translation reserve KD	Fair value reserve KD	Retained earnings KD	Sub-Total KD	Non- controlling interests KD	
Balance at 31 December 2023 (Audited)	83,098,345	9,355,213	(1,509,861)	282,455	2,698,457	1,541,623	133,296	(4,730,933)	33,955,998	6,960,302	131,784,895	40,138,098	171,922,993
Bonus shares distributions (Note 24)	3,323,934	-	-	-	-	-	-	-	-	(3,323,934)	-	-	-
Cash dividends (Note 24)	-	-	-	-	-	-	-	-	-	(1,623,870)	(1,623,870)	-	(1,623,870)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(111,866)	(111,866)
Purchase of treasury shares	-	-	(870,188)	-	-	-	-	-	-	-	(870,188)	-	(870,188)
Sale of treasury shares	-	-	2,295,928	1,992,675	-	-	-	-	-	-	4,288,603	-	4,288,603
Cost of share-based payments	-	-	-	-	-	-	78,336	-	-	-	78,336	-	78,336
Distribution of share-based payments	-	-	84,121	66,100	-	-	(42,336)	-	-	(117,579)	(9,694)	-	(9,694)
Non-controlling interests resulting from establishment and increase of the capital of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	184,112	184,112
Net movement to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	5,784	5,784
Transactions with owners	3,323,934	-	1,509,861	2,058,775	-	-	36,000	-	-	(5,065,383)	1,863,187	78,030	1,941,217
Profit for the period	-	-	-	-	-	-	-	-	-	13,202,438	13,202,438	1,608,762	14,811,200
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(1,864,494)	21,197,700	-	19,333,206	8,334,463	27,667,669
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(1,864,494)	21,197,700	13,202,438	32,535,644	9,943,225	42,478,869
Gain on sale and reclassification of financial assets at FVTOCI	-	-	-	-	-	-	-	-	(6,121,256)	6,121,256	-	-	-
Balance as at 30 September 2024 (Unaudited)	86,422,279	9,355,213	-	2,341,230	2,698,457	1,541,623	169,296	(6,595,427)	49,032,442	21,218,613	166,183,726	50,159,353	216,343,079

The notes set out on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Notes	Nine months ended 30 Sept. 2025 (Unaudited) KD	Nine months ended 30 Sept. 2024 (Unaudited) KD
Operating activities			
Profit for the period		20,974,903	14,811,200
Adjustments:			
Gain on disposal of properties held for trading		(52,762)	-
Interest income		(700,838)	(393,381)
Cost of share-based payments		91,083	78,336
Share of results of associates and joint ventures	13	(17,384,096)	(2,900,437)
Dividend income		(4,644,950)	(4,169,334)
Provision for employees' end of service benefits		224,140	117,209
Provision for instalment credit debtors – net	8.3	(11,057)	(100,848)
Reversal of provision for credit losses for restricted cash and cash equivalents	7.2	(399)	(265,852)
Depreciation		170,185	163,462
Finance costs		2,289,696	1,467,051
Provision for doubtful debts – net		748,502	1,178,011
		1,704,407	9,985,417
Changes in operating assets and liabilities:			
Instalment credit debtors		(125,320)	23,162
Financial assets at fair value through profit or loss		(5,342,570)	(18,081,836)
Accounts receivable and other assets		(5,989,419)	(2,052,448)
Accounts payable and other liabilities		4,721,587	(1,048,504)
Employees' end of service benefits paid		(26,070)	(11,755)
Net cash used in operating activities		(5,057,385)	(11,185,964)
Investing activities			
Purchase of property and equipment		(6,277)	(71,294)
Proceeds from disposal of properties held for trading		100,305	-
Purchase of financial assets at fair value through other comprehensive income		(2,573,746)	(6,823,773)
Proceeds from sale of financial assets at fair value through other comprehensive income		1,214,829	2,658,796
Additions to properties under development		(127,291)	(54,069)
Net movement in assets held for sale		(2,475,179)	(2,289,083)
Additions to associate		(6,668,179)	(1,063,000)
Term deposits		262,237	-
Restricted cash and cash equivalents	7.2	399	265,852
Dividend income received		4,644,950	4,169,334
Dividend income received from associates	13	1,357,241	1,342,796
Interest income received		352,482	139,128
Net cash used in investing activities		(3,918,229)	(1,725,313)

The notes set out on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows (continued)

	Notes	Nine months ended 30 Sept. 2025 (Unaudited) KD	Nine months ended 30 Sept. 2024 (Unaudited) KD
Financing activities			
Net increase/(decrease) in term loans		800,000	(8,512,834)
Net increase in Murabaha payable		20,054,946	20,134,439
Purchase of treasury shares		(360,554)	(870,188)
Sale of treasury shares		88	4,288,603
Finance costs paid		(2,194,319)	(1,466,081)
Dividends paid to non- controlling interests		(112,473)	(111,866)
Dividends paid to shareholders		(2,580,184)	(1,663,467)
Net movement in non-controlling interests		82,396	189,896
Net cash from financing activities		15,689,900	11,988,502
Net increase/(decrease) in cash and cash equivalents		6,714,286	(922,775)
Foreign currency translation adjustments		(319,776)	(1,370,066)
Cash and cash equivalents at beginning of the period	7.1	3,810,901	6,764,437
Cash and cash equivalents at end of the period	7.1	10,205,411	4,471,596

The notes set out on pages 10 to 28 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

Arzan Financial Group for Financing and Investment – KPSC (“the Parent Company”) was incorporated in Kuwait on 15 April 1980 in accordance with the Companies Law under the name of International Transport Equipment Company – KSC (Closed). On 14 December 1996 an extraordinary general assembly resolved to change the name of the Parent Company to International Murabaha Company – KSC (Closed). Later, on 24 April 2002 an extraordinary general assembly resolved to change the name of the Parent Company to International Finance Company – KPSC and to expand its permitted activities.

The extraordinary general assembly held on 24 July 2013 approved to change the name of the Parent Company from International Finance Company – KPSC to Arzan Financial Group for Financing and Investment – KPSC which has been registered in the commercial register under No. 29629 on 11 November 2013.

The Parent Company is listed on Boursa Kuwait and is governed under the directives of Central Bank of Kuwait and Capital Markets Authority.

The Group comprises the Parent Company and its subsidiaries (together referred to as “the Group”).

The Parent Company’s objectives to be as follows:

- Retail of light and heavy equipment and their accessories.
- Wholesale and retail of new private cars.
- Wholesale and retail of second-hand private cars.
- Wholesale and retail of new heavy transport vehicles.
- Wholesale and retail of second-hand heavy transport vehicles.
- Finance services.
- Renting and leasing scientific, commercial and industrial machinery and equipment.
- Renting construction equipment.
- Purchase and sale of land and real estate.
- Operating and renting owned or leased properties.
- Management and development of land and real estate.
- Manager of investment portfolio.
- Collective investment scheme manager.
- Unregistered securities broker in the stock exchange.
- Investing its funds by trading in stocks, bonds and other securities.
- Currency exchange.
- Wholesale of precious stones.
- Wholesale of gold and precious metals.
- Consulting for commercial projects.
- Managing its subsidiaries or participating in managing other companies where it has a shareholding therein, and providing the required support for them.
- Project Management.

Notes to the interim condensed consolidated financial information (continued)

1 Incorporation and activities (continued)

- Owning intellectual property rights such as patents, trademarks, industrial models, royalties and other moral rights, utilizing and renting them to the holding companies affiliated to them and to other companies.
- Owning movables and properties required to carry out its activities pursuant to the limits prescribed by law.
- Investment consultant.
- Placement agent.
- Financing or lending companies in which the Company holds shares or stakes and guaranteeing them against others. In this case, the contribution ratio of the holding company in the share capital of the borrowing company shall not be less than twenty percent.

The Parent Company may have an interest or participate in any way with companies that engage in similar business to it in achieving its objectives in the State of Kuwait or abroad, and it may establish, purchase, or attach themselves to such companies.

The address of the Parent Company's registered office is PO Box 26442, Safat 13125, State of Kuwait.

This interim condensed consolidated financial information for the nine-month period ended 30 September 2025 was authorized for issue by the Parent Company's board of directors on 9 November 2025.

2 Basis of preparation

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2025 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The annual consolidated financial statements for the year ended 31 December 2024 were prepared in accordance with the IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"), modified for use by the Government of Kuwait for financial services institutions regulated by the Central Bank of Kuwait ("CBK"). The modification requires adoption of all IFRS Accounting Standards for such institutions except for the IFRS 9 requirement for estimated credit losses ("ECL") for loans and receivables, which has been replaced by the CBK requirement for the ECL to be measured at the higher of the ECL on credit facilities computed under IFRS 9 under CBK guidelines and the provision required under CBK instructions, and the consequent impact on the related disclosures.

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

The interim condensed consolidated financial information does not include all the information and disclosures required for complete financial statements prepared in accordance with the IFRS Accounting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine-month period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025. For further details, refer to the consolidated financial statements and their disclosures for the year ended 31 December 2024.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies

The accounting policies used in the preparation of these 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 2024, except for the adoption of the amendments to the IFRS Accounting Standards effective as of 1 January 2025 as described in note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following amendments to IAS 21 were effective for the current period:

IAS 21 Amendments – Lack of exchangeability

The amendments to IAS 21 addresses determination of exchange rate when there is long term lack of exchangeability. The amendments:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable, an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

4 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2024.

Notes to the interim condensed consolidated financial information (continued)

5 Subsidiaries

5.1 The Group’s subsidiary, International Finance Company - SAL (“IFC”), is located in Lebanon which is currently witnessing significant economic and political turmoil. These events include significant controls on the Lebanese banking system including placing limits on cash withdrawals of foreign currency bank balances, limits on international bank transfers and reduction of contracted interest rates on foreign currency term deposits. These measures have significantly curtailed the ability of the Group to access the cash and other assets of IFC. Moreover, the Government of Lebanon defaulted on its sovereign debt obligation. The rating agencies have downgraded the sovereign rating of Lebanon as well as some of Lebanese banks including the bank where the subsidiary’s cash is primarily deposited. Furthermore, the economy of Lebanon is now considered a hyperinflationary economy.

Further, due to the current economic conditions, the subsidiary has ceased its new lending operations and in the process of monitoring the business activities closely.

Management has assessed the potential effects of these events on its ability to continue to exercise control over IFC Lebanon and concluded that it still has the power and ability to use that power to affect returns and that it is still exposed to variable returns of the subsidiary. Accordingly, it continues to consolidate the subsidiary.

Certain assets in that same subsidiary decreased in value when converted to Kuwaiti Dinars (mainly: restricted cash and cash equivalents in Lebanese Pounds), which were previously fully provided for (total provision of KD6,420,471 was recognized at that time and accumulated at the consolidation level). This decrease in value, resulted in decrease in the provision balance against these assets. This decrease in provision amounting to KD399 was recognized as “reversal of provision for credit losses of restricted cash and cash equivalents” (31 December 2024: reversal of a provision of KD318,238 and 30 September 2024: reversal of provision of KD265,852) (Note 7.2.1).

Furthermore, and because the subsidiary in Lebanon holds monetary assets (mainly: bank balances and other assets) in foreign currencies significantly higher than its liabilities in foreign currencies, and due to the official devaluation of the LP, this resulted in a foreign currency exchange loss of KD51,015 (31 December 2024: gain of KD1,101,577 and 30 September 2024: gain of KD1,119,112) recognized in the interim condensed consolidated statement of profit or loss for the period.

The Group’s management believes that the carrying value of the Group’s investment in Lebanon is recoverable and there are currently no indications that any further material additional impairment loss is required to be recognised.

Summarised financial information of IFC Lebanon as at and for the period ended 30 September 2025 is set out below:

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Properties held for trading	456,705	456,705	456,705
Other assets	51,037	41,111	39,548
Total assets	507,742	497,816	496,253
Accounts payable and other liabilities	257,226	244,508	240,538
Provision for employee’s end of service benefits	1,167	12,450	53,490
Total liabilities	258,393	256,958	294,028

Notes to the interim condensed consolidated financial information (continued)

5 Subsidiaries (continued)

	Nine months ended 30 Sept. 2025 (Unaudited) KD	Nine months ended 30 Sept. 2024 (Unaudited) KD
Income from instalment credit	15,701	16,827
(Loss) / profit for the period	(26,984)	1,448,651

5.2 Establishment of a new subsidiary

During the period, the Group contributed to the establishment of a new subsidiary, i.e. Arzan Gulf Partners Group Limited Company, in the Cayman Islands with a share capital of USD50,000, in which the Group holds 100%. The principal activity of the new subsidiary is asset management platform in the GCC region.

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

Basic and diluted earnings per share is computed by dividing the profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period excluding treasury shares as follows:

	Three months ended		Nine months ended	
	30 Sept. 2025 (Unaudited)	30 Sept. 2024 (Unaudited)	30 Sept. 2025 (Unaudited)	30 Sept. 2024 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD)	10,351,049	7,879,850	19,737,736	13,202,438
Weighted average number of shares outstanding during the period to be used to account for basic earnings per share (excluding treasury shares)	906,549,067	890,326,509	906,530,518	889,766,150
Shares to be issued for no consideration under share-based payments	1,051,508	1,373,837	1,051,508	1,373,837
Weighted average number of shares outstanding during the period to be used to account for diluted earnings per share (excluding treasury shares)	907,600,575	891,700,346	907,582,026	891,139,987
Basic earnings per share attributable to the owners of the Parent Company (Fils)	11.418	8.851	21.773	14.838
Diluted earnings per share attributable to the owners of the Parent Company (Fils)	11.405	8.837	21.748	14.815

The comparative weighted average number of shares for calculating the basic and diluted earnings per share has been adjusted to reflect the bonus shares at 5% issued during the current period (Note 24).

The basic and diluted earnings per share reported during the three months ended 30 September 2024 were 9.302 Fils and 9.287 Fils respectively and the basic and diluted earnings per share reported during the nine months period ended 30 September 2024 were 15.595 Fils and 15.570 Fils respectively, before retroactive adjustments relating to bonus shares issued during the current period

Notes to the interim condensed consolidated financial information (continued)

7 Cash and cash equivalents

7.1 Cash and cash equivalents

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Cash and bank balances	9,102,902	3,579,706	3,614,283
Cash in managed portfolios	672,325	209,479	792,838
Total cash and bank balances	9,775,227	3,789,185	4,407,121
Term deposits with contractual maturity not exceeding three months	430,184	21,716	64,475
Term deposits with contractual maturity exceeding three months	172,073	434,311	472,814
Total term deposits	602,257	456,027	537,289
	10,377,484	4,245,212	4,944,410
Less: Term deposits with contractual maturity exceeding three months	(172,073)	(434,311)	(472,814)
Cash and cash equivalent as per the consolidated statement of cash flows	10,205,411	3,810,901	4,471,596

Cash in managed portfolios includes an amount of KD418,054 (31 December 2024: KD31,645 and 30 September 2024: KD45,119) pledged against term loans (Note 15) and Murabaha payable (Note 16).

7.2 Restricted cash and cash equivalents

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Cash and bank balances	153,965	154,388	206,997
Term deposits with contractual maturity not exceeding three months	2,951,580	2,951,557	2,951,334
	3,105,545	3,105,945	3,158,331
Provision for credit losses (7.2.1 below)	(3,105,545)	(3,105,945)	(3,158,331)
Restricted cash and cash equivalents	-	-	-

7.2.1 Restricted cash and cash equivalents include balances deposited in a bank located in Lebanon. Due to the current political and economic events, the central bank of Lebanon imposed a series of measures including restrictions on withdrawals and limitation of transfers of money abroad. Consequently, the Group lacks access to these bank balances on time and in full. The balance of cash and cash equivalents restricted in Lebanon was decreased and the Group recognised a reversal of provision for credit losses of KD399 (31 December 2024: reversal of a provision of KD318,238 and 30 September 2024: reversal of a provision of KD265,852) against these restricted cash and cash equivalents of its subsidiary “IFC Lebanon” (Note 5.1).

7.3 The term deposits carry an effective interest rate ranging from 2.5% to 5.5% (31 December 2024: 3.25% to 6.6% and 30 September 2024: 6.25% to 6.6%) per annum.

Notes to the interim condensed consolidated financial information (continued)

8 Instalment credit debtors

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Gross instalment credit debtors	2,983,028	3,224,827	3,410,062
Deferred income	(242,287)	(248,623)	(252,103)
	2,740,741	2,976,204	3,157,959
Specific provision for credit losses	(1,798,275)	(2,196,264)	(2,198,780)
General provision for credit losses	(48,308)	(22,159)	(17,373)
	894,158	757,781	941,806

8.1 Gross instalment credit debtors are due as follows:

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Within one year	2,410,186	2,696,426	2,741,390
More than a year	572,842	528,401	668,672
	2,983,028	3,224,827	3,410,062

8.2 The effective interest rate earned on instalment credit debtors ranged from 5.0% to 10.0% (31 December 2024: 5.0% to 10.0% and 30 September 2024: 5.0% to 10.0%) per annum.

8.3 The provision for credit losses is calculated, in all material respect, in accordance with the requirements of the Central Bank of Kuwait. During the period, the Group recorded a reversal of provision for net amount of KD11,057 (30 September 2024: provision for net amount of KD100,848).

9 Financial assets at fair value through profit or loss

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Local quoted shares	500,310	14,409,542	15,053,222
Foreign quoted shares	725,835	647,199	633,347
Foreign unquoted shares	7,455,763	7,531,543	7,258,219
Investment in managed portfolios	18,443,998	15,148,051	14,674,960
Investments in managed funds	2,759,386	3,296,358	2,320,269
	29,885,292	41,032,693	39,940,017

9.1 Investments in managed portfolio with fair value of KD17,730,518 (31 December 2024: KD13,933,807 and 30 September 2024: KD14,584,026), which include cash balances, are pledged against the term loans and Murabaha payable (Notes 15 & 16).

9.2 The hierarchy for determining and disclosing the fair values of financial assets at fair value through profit or loss is presented in Note 22.3.

9.3 During the current period, the Parent Company classified an investment with a fair value of KD16,489,971 from financial assets at fair value through profit or loss to investment in associates and joint venture upon gaining the significant influence of the investee (Note 13a).

Notes to the interim condensed consolidated financial information (continued)

10 Accounts receivable and other assets

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Financial assets			
Trade receivables	4,045,478	3,610,303	3,099,844
Instalments sales receivable	6,791,971	5,113,474	4,529,820
Receivable from margin finance clients	3,954,767	2,498,189	1,747,090
Due from related parties	3,682,139	1,365,922	1,772,177
	18,474,355	12,587,888	11,148,931
Provision for doubtful debts	(4,982,701)	(4,041,171)	(3,707,164)
	13,491,654	8,546,717	7,441,767
Non-financial assets:			
Advance payments	30,389	31,057	31,030
Other assets	1,508,259	863,255	1,595,290
	1,538,648	894,312	1,626,320
	15,030,302	9,441,029	9,068,087

11 Assets held for sale

The breakdown of classified as assets held for sale are as follows:

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Bantry SP	2,236,297	2,249,268	2,289,083
Work force Housing Ltd	2,845,570	927,000	-
National Medical Consumable Industries Company KSCC (a)	2,009,018	-	-
Hill Top US 12 Ltd	1,444,306	-	-
Hill Top UK 7 Ltd	701,261	3,417,861	-
	9,236,452	6,594,129	2,289,083

a) Subsequent to the reporting date, the Group has sold the investment with fair value of KD2,009,018.

12 Financial assets at fair value through other comprehensive income

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Local quoted shares	74,580,801	56,631,636	51,691,765
Local unquoted shares	8,782,422	7,974,201	8,029,452
Foreign unquoted shares	34,407,771	51,175,521	49,732,175
Investments in managed portfolios	40,468,517	38,701,053	36,171,632
Debt instruments	4,577,002	4,698,634	2,097,255
Investment funds	9,303	9,468	9,743
	162,825,816	159,190,513	147,732,022

Notes to the interim condensed consolidated financial information (continued)

12 Financial assets at fair value through other comprehensive income (continued)

12.1 Local quoted shares and investments in managed portfolios with an aggregate carrying value of KD43,288,949 (31 December 2024: KD43,329,813 and 30 September 2024: KD40,866,115) are pledged against term loans (Note 15) and Murabaha payable (Note 16).

12.2 The hierarchy for determining and disclosing the fair values of financial assets at FVTOCI is presented in Note 22.3.

12.3 During the period, the Parent Company re-classified an investment with a fair value of KD18,579,318 from financial assets at fair value through other comprehensive income to investments in associates upon gaining significant influence over the investee. The reclassification led to the fair value adjustment previously recorded in other comprehensive income amounting to KD16,786,492, with regard to this investment being transferred to retained earnings, within equity, during current period (Note 13a).

12.4 During the period, the Parent Company transferred an investment with a fair value of KD19,042,860 to another existing subsidiary and consequently it became a joint venture. The previously recognised changes in fair values, amounting to KD11,893,454 and recorded in other comprehensive income, have been reclassified to retained earnings upon de-recognition (Note 13b).

13 Investment in associates and joint venture

Movement in the carrying amount of the investment in associates and joint ventures during the period/year is as follows:

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Balance at the beginning of the period/year	55,213,376	31,229,754	31,229,754
Transfer from financial assets at FVTOCI and FVTPL to investment in associates (below – a)	35,069,289	19,207,709	19,207,709
Addition of joint venture (below b)	19,042,860	-	-
Additions (below – c)	6,668,179	1,063,000	1,063,000
Share of results	17,384,096	3,987,576	2,900,437
Dividends received	(1,357,241)	(1,342,795)	(1,342,796)
Foreign currency translation	(124,056)	6,699	-
Share of other comprehensive income	2,423,331	1,061,433	298,112
Balance at the end of the period/ year	134,319,834	55,213,376	53,356,216

- a) The Group owns 18.68% of International Financial Advisors Holding – KPSC (“IFA”), which was originally classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income (Note 9.3 & 12.3). During the current period, following the appointment of the Parent Company’s representations in the board of directors of IFA, the Parent Company has gained significant influence over IFA, as defined under IAS 28. Consequently, the Parent Company has reclassified its investment in IFA from financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income to investment in associate at its fair value of KD35,069,289 on the reclassification date.

Notes to the interim condensed consolidated financial information (continued)

13 Investment in associates and joint ventures (continued)

The associate is accounted using the equity method in these consolidated financial statements based on the consolidated financial statements as of 30 September 2025 (after incorporating the impact of the purchase price allocation).

The summarised financial information of IFA below, represents the amounts presented in the consolidated financial statements of the associate (and not the Group’s share of those amounts) as of the date of reclassification.

	IFA KD
Total assets	140,683,959
Total liabilities	18,967,640
Equity	121,716,319
Non-controlling interests	(4,990,068)
Equity attributable to the owners of the associate	(116,726,251)
Fair value of investment at the reclassification date	35,069,289
Share of net assets	(21,805,710)
Goodwill included in the carrying value of the associate	13,263,579

The initial accounting for the business combination is provisional due to its complexity and will be adjusted retrospectively (if required) when the final purchase price allocation is completed during the one-year measurement period from the reclassification date.

- b) During the current period, the Group entered into a joint venture arrangement with Kuwait Holding Company KSCC (“KHC”), a related party, to jointly control the financial and operating policies of one of the Group’s existing subsidiaries, Arzan AM Ltd. (“AML”), a company incorporated in the United Arab Emirates. The joint arrangement provides that decisions regarding the relevant activities of AML require the unanimous consent of both parties, thereby establishing joint control in accordance with IFRS 11 Joint Arrangements.

Under the terms of the joint control agreement, the Group contributed financial assets with a fair value of KD19,042,860 (equivalent to USD62,028,859) (Note 12.4), while KHC contributed its corresponding interest in the same investment with a fair value of KD5,166,249 (equivalent to USD16,828,172). Following this transaction, the Group holds a 78.66% ownership interest in AML and KHC holds 21.34%.

AML’s assets include an investment in Miami International Holdings Inc. (“MIAX”), which are listed on the New York Stock Exchange (“NYSE”). The quoted bid price has been discounted by 20% to reflect restrictions on the sale of this investment until 31 December 2025. Upon the lifting of these restrictions on 9 February 2026, the investment will be marked to market without any discount and the change in fair value will be recognized accordingly.

No dilution gain or loss was recognized on this transaction, as the former subsidiary (AML) did not have any assets, liabilities, or operations at the date of the transaction.

- c) During the current period, the Group acquired a 67.39% equity interest in National Medical Consumable Industries Company – KSCC (“NATMED”). However, upon acquisition, the Group has signed a conditional agreement with one of the related parties to dispose 16.39% equity interest in NATMED for a consideration proportionately equal to the original purchase consideration, within 6 months period of the agreement date. Accordingly, this portion of the investment has been classified as assets held for sale as of the reporting date. Consequently, the Group’s effective shareholding in NATMED classified under associates was reduced to 51.00% as of the reporting date.

Notes to the interim condensed consolidated financial information (continued)

13 Investment in associates and joint venture (continued)

As per the management of the Group, although the Group owns a majority of the voting shares, it does not have control over NATMED because, under the terms of the shareholders' agreement, key strategic and operating decisions require consent of all significant shareholders. Accordingly, the Group does not have the power to direct the relevant activities of NATMED and therefore does not control the investee as defined in IFRS 10 Consolidated Financial Statements.

However, the management of the Group believes that the Group exercises significant influence over the above investee and accordingly has been classified as an associate as of 30 September 2025. The associate is accounted using the equity method in this interim condensed consolidated financial information based on the interim condensed consolidated financial information as of 30 June 2025 (after incorporating the impact of the purchase price allocation).

The summarised financial information of NATMED below, represents the amounts presented in the consolidated financial statements of the new associate (and not the Group's share of those amounts) as of the date of acquisition.

	NATMED KD
Total assets	14,441,054
Total liabilities	4,272,308
Equity (net assets)	10,168,746
Purchase consideration at the acquisition date	6,263,647
Share of net assets	(5,186,082)
Goodwill included in the carrying value of the associate	1,077,565

The initial accounting for the business combination is provisional due to its complexity and will be adjusted retrospectively (if required) when the final purchase price allocation is completed during the one-year measurement period from the reclassification date.

- d) During the previous year, the Group obtained the significant influence over IFA Hotels & Resorts Co. - KPSC ("IFAHR"), which was originally classified as financial assets at fair value through other comprehensive income. Consequently, the Parent Company has reclassified its investment in IFAHR from financial assets at fair value through other comprehensive income to investment in associate at its fair value of KD19,207,709 on the reclassification date. At the reclassification date, the Group provisionally allocated the fair value of the identifiable assets and liabilities of the associate, and a provisional amount of KD16,947,220 was recognised as goodwill and included in the carrying value of the investment.

During the current reporting period, and within the one-year measurement period from the reclassification date, the Group finalised the purchase price allocation. The updated assessment resulted in adjustments to the fair values of identifiable net assets, and consequently a decline in the amount of goodwill initially recognised (and included in the carrying value of the investment) from KD16,947,220 to KD11,649,504.

There was no impact on the Group's previously reported profit, other comprehensive income, or earnings per share for the three months and nine months periods ended 30 September 2025 or the carrying value of the investments in associates as of 30 September 2024 or 31 December 2024.

- e) Investments associates with a carrying value of KD30,699,376 (31 December 2024: KD12,019,983 and 30 September 2024: KD11,677,033) is pledged against term loans (Note 15) and Murabaha payable (Note 16).

Notes to the interim condensed consolidated financial information (continued)

14 Accounts payable and other liabilities

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Accounts payable	350,690	145,370	200,352
Due to related parties (Note 21)	6,329,161	2,856,747	2,765,773
Other payables	2,983,106	2,938,860	2,659,921
Lease liabilities	37,001	63,817	61,938
Accrued interests	328,022	232,644	166,432
Provision for staff leaves	368,687	340,364	315,388
KFAS payable	303,694	290,499	292,315
NLST and Zakat payable	4,055,747	3,083,266	3,033,610
Due to shareholders (Note 21)	478,791	466,367	468,672
	15,234,899	10,417,934	9,964,401

15 Term loans

Term loans are due for repayment as follows:

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
KD facilities	2,996,000	2,196,000	2,080,000
	2,996,000	2,196,000	2,080,000
Due within one year	2,996,000	2,196,000	2,080,000
Due after more than one year	-	-	-

The details of the outstanding term loans are as follows:

During previous years, the Parent Company has signed two agreements with a Kuwaiti bank to obtain Kuwaiti Dinar facilities in the form of revolving loans, whereby the maximum loan limits totaled KD3,000,000. The Parent Company withdrew an amount of KD2,996,000 from these facilities as of 30 September 2025 (31 December 2024: KD2,196,000 and 30 September 2024: KD2,080,000).

Kuwaiti Dinar facilities are payable on 30 September 2026.

Kuwaiti Dinar facilities are secured against mortgage of cash in managed portfolios (Note 7), financial assets at FVTPL (Note 9), financial assets at FVTOCI (Note 12) and investment in associates and joint venture (Note 13).

16 Murabaha payable

The Murabaha payable outstanding balance represents Islamic finance obtained in Kuwaiti Dinar from local banks carrying effective profit rates of 4.95% - 5.5% (31 December 2024: 5.20% - 5.50% and 30 September 2024: 5% - 5.75%) per annum. This finance is secured against pledge of cash in managed portfolios (Note 7), financial assets at FVTPL (Note 9), financial assets at FVTOCI (Note 12), investment in associates and joint venture (Note 13), investment properties and property and equipment and is repayable in various instalments ending in July 2029.

Notes to the interim condensed consolidated financial information (continued)

16 Murabaha payable (continued)

Murabaha payable are as follows:

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Within one year	31,032,176	21,504,330	13,780,739
After one year	30,504,900	19,977,800	20,686,100
	61,537,076	41,482,130	34,466,839

17 Share Capital

	Authorized, issued and fully paid		
	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
907,433,921 authorized, issued and fully paid-up shares of 100 fils each - in cash (31 December 2024 and 30 September 2024: 864,222,782 authorized, issued and fully paid-up shares of 100 fils each - in cash)	90,743,393	86,422,279	86,422,279

During 2025, the annual general assembly of the Parent Company's shareholders approved to increase the share capital through issuance of 5% bonus shares (Note 24). It was registered in the commercial register on 18 May 2025.

18 Treasury shares

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Number of treasury shares	1,132,748	1,094,422	-
Percentage of ownership	0.125%	0.127%	-
Market value (KD)	397,595	287,833	-
Cost (KD)	332,278	243,811	-

Reserves of the Parent Company equivalent to the cost of the treasury shares have been earmarked as non-distributable reserves.

19 Fiduciary Assets

Investment portfolios managed by the Group and assets held in trust or in a fiduciary capacity and related liabilities are not treated as the Group's assets or liabilities and, accordingly, are not included in the interim condensed consolidated statement of financial position. Total fiduciary assets as at the financial position date were KD103,169,441 (31 December 2024: KD84,609,051 and 30 September 2024: KD74,567,809) out of which, assets amounting to KD73,553,702 are managed on behalf of Group's related parties (31 December 2024: KD58,826,263 and 30 September 2024: KD46,823,694).

Notes to the interim condensed consolidated financial information (continued)

20 Segmental information

Operating segments are identified by the Group based on internal management reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance and is reconciled to the Group's profit or loss.

The Group's principal activities, significant assets and liabilities are carried out and located in Kuwait, GCC, Middle East, USA and Europe. The Group operates in four business segments: instalment credit, investments, financial brokerage and real estate.

The segmental analysis of total revenues, profit for the period, total assets and total liabilities for the business segments are as follows:

	Instalment credit KD	Investments KD	Financial brokerage KD	Real estate KD	Total KD
Nine months ended 30 September 2025					
Total revenues	2,322,419	27,009,843	713,596	226,569	30,272,427
Profit for the period	1,687,697	18,815,955	406,007	65,244	20,974,903
Three months ended 30 September 2025					
Total revenues	864,789	12,890,401	276,699	54,796	14,086,685
Profit for the period	637,877	9,921,137	162,568	10,533	10,732,115
As at 30 September 2025					
Total assets	1,092,765	348,279,828	12,138,565	7,716,828	369,227,986
Total liabilities	(372,733)	(78,138,106)	(843,084)	(2,482,311)	(81,836,234)
Net assets	720,032	270,141,722	11,295,481	5,234,517	287,391,752
Nine months ended 30 September 2024					
Total revenues	2,125,669	18,846,285	595,259	190,044	21,757,257
Profit for the period	1,598,070	12,813,442	320,758	78,930	14,811,200
Three months ended 30 September 2024					
Total revenues	760,695	9,485,842	139,390	54,507	10,440,435
Profit for the period	566,719	7,505,235	64,149	21,536	8,157,639
As at 30 September 2024					
Total assets	1,126,723	247,276,853	11,365,106	4,950,471	264,719,153
Total liabilities	(473,937)	(46,510,517)	(702,500)	(689,120)	(48,376,074)
Net assets	652,786	200,766,336	10,662,606	4,261,351	216,343,079

21 Related party balances and transactions

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

Notes to the interim condensed consolidated financial information (continued)

21 Related party balances and transactions (continued)

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

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Balances included in the interim condensed consolidated statement of financial position			
Margin finance receivable (included in accounts receivable and other assets – Note 10)	1,640,893	838,472	847,191
Due from related parties - net (included in accounts receivable and other assets – Note 10) (a)	3,486,965	1,266,811	1,634,511
Due to shareholders (Note 14)	478,791	466,367	468,672
Due to related parties (Note 14) – see below (b, c & d)	6,329,161	2,856,747	2,765,773
Fiduciary assets of related parties managed by the Group (Note 19)	73,553,702	58,826,263	46,823,694

	Three months ended		Nine months ended	
	30 Sept. 2025 (Unaudited) KD	30 Sept. 2024 (Unaudited) KD	30 Sept. 2025 (Unaudited) KD	30 Sept. 2024 (Unaudited) KD
Transactions included in the interim condensed consolidated statement of profit or loss				
Revenue from contracts with customers	62,458	61,304	152,708	142,857
Rental income	29,999	29,999	89,998	89,998
Interest income	75,039	22,925	169,745	99,534
General and administrative expenses	5,853	5,374	126,327	112,683
Finance costs	90,325	57,902	213,641	174,572
Key management compensation:				
Salaries and other short-term benefits	114,642	147,477	746,151	569,598
Board of directors' and committees' remuneration (included in general and administrative expenses)	-	-	77,850	68,050
End of service benefits	12,987	16,363	46,999	45,678
Share based compensation	-	-	81,066	70,496
	127,629	163,840	952,066	753,822

- a) During the current period the Group paid USD8,000,000 (equivalent to KD2,455,783) under one sale and repurchase agreement for certain unquoted foreign shares with related parties at an interest rate at 5% per annum and repayable within six months. The amount is included under due from related parties stated above. Subsequent to the reporting date, the Group has settled this amount.
- b) During the previous years, one of the subsidiaries received USD8,000,000 (equivalent to KD2,442,400) under two sale and repurchase agreements for certain unquoted foreign shares with related parties at an interest rate at 9.5% per annum and repayable within 360 days. The amount is included under due to related parties stated above.
- c) During the period, the Group received KD2,009,018 under a sale and repurchase agreements for the shares of NATMED from a related party and repayable within 180 days. As of the reporting date, the amount is included under due to related parties stated above.

Notes to the interim condensed consolidated financial information (continued)

21 Related party balances and transactions (continued)

- d) During the current period the Group paid USD4,000,000 (equivalent to KD1,220,000) under one sale and repurchase agreement for certain unquoted foreign shares with related parties at an interest rate at 5% per annum and repayable within three months. The amount is included under due to related parties stated above. Subsequent to the reporting date the Group has settled this amount.

22 Fair value measurement

22.1 Fair value measurement of financial instruments

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position are as follows:

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Financial assets:			
At amortised cost:			
Cash and cash equivalent	10,205,411	3,810,901	4,471,596
Term deposits	172,073	434,311	472,814
Instalments credit debtors	894,158	757,781	941,806
Accounts receivable and other assets	15,030,302	9,441,029	9,068,087
At fair value:			
Financial assets at fair value through profit or loss	29,885,292	41,032,693	39,940,017
Financial assets at fair value through other comprehensive income	162,825,816	159,190,513	147,732,022
	219,013,052	214,667,228	202,626,342
Financial liabilities:			
At amortised cost:			
Accounts payable and other liabilities	15,234,899	10,417,934	9,964,401
Term loans	2,996,000	2,196,000	2,080,000
Murabaha payable	61,537,076	41,482,130	34,466,839
Provision for employees' end of service benefits	2,068,259	1,892,415	1,864,834
	81,836,234	55,988,479	48,376,074

Management considers that the carrying amounts of financial assets and financial liabilities, which are stated at amortized cost, approximate their fair values.

22.2 Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group measures financial instruments at fair value and measurement details are disclosed below. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are carried at amortised costs are considered a reasonable approximation of their fair values.

22.3 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy.

Notes to the interim condensed consolidated financial information (continued)

22 Fair value measurement (continued)

22.3 Fair value hierarchy (continued)

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

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

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
30 September 2025 (Unaudited)				
Financial assets at FVTPL:				
Local quoted shares	500,310	-	-	500,310
Foreign quoted shares	725,835	-	-	725,835
Foreign unquoted shares	-	-	7,455,763	7,455,763
Investment in managed portfolios	18,443,998	-	-	18,443,998
Investment in managed funds	-	2,759,386	-	2,759,386
Financial assets at FVTOCI:				
Local quoted shares	74,580,801	-	-	74,580,801
Local unquoted shares	-	-	8,782,422	8,782,422
Foreign unquoted shares	-	-	34,407,771	34,407,771
Investment in managed portfolios	40,468,517	-	-	40,468,517
Debt instruments	-	-	4,577,002	4,577,002
Investment funds	-	9,303	-	9,303
	134,719,461	2,768,689	55,222,958	192,711,108
31 December 2024 (Audited)				
Financial assets at FVTPL:				
Local quoted shares	14,409,542	-	-	14,409,542
Foreign quoted shares	647,199	-	-	647,199
Foreign unquoted shares	-	-	7,531,543	7,531,543
Investment in managed portfolios	15,148,051	-	-	15,148,051
Investments in managed funds	-	3,296,358	-	3,296,358
Financial assets at FVTOCI:				
Local quoted shares	56,631,636	-	-	56,631,636
Local unquoted shares	-	-	7,974,201	7,974,201
Foreign unquoted shares	-	-	51,175,521	51,175,521
Investment in managed portfolios	38,701,053	-	-	38,701,053
Debt instruments	-	-	4,698,634	4,698,634
Investment funds	-	9,468	-	9,468
	125,537,481	3,305,826	71,379,899	200,223,206

Notes to the interim condensed consolidated financial information (continued)

22 Fair value measurement (continued)

22.3 Fair value hierarchy (continued)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
30 September 2024 (Unaudited)				
Financial assets at FVTPL:				
Local quoted shares	15,053,222	-	-	15,053,222
Foreign quoted shares	633,347	-	-	633,347
Foreign unquoted shares	-	-	7,258,219	7,258,219
Investment in managed portfolios	14,674,960	-	-	14,674,960
Investments in managed funds	-	2,320,269	-	2,320,269
Financial assets at FVTOCI:				
Local quoted shares	51,691,765	-	-	51,691,765
Local unquoted shares	-	-	8,029,452	8,029,452
Foreign unquoted shares	-	-	49,732,175	49,732,175
Investment in managed portfolios	36,171,632	-	-	36,171,632
Debt instruments	-	-	2,097,255	2,097,255
Investment funds	-	9,743	-	9,743
	118,224,926	2,330,012	67,117,101	187,672,039

The Group does not have any financial liabilities measured at fair value.

Measurement at fair value

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

a) Quoted shares

All the listed equity shares are publicly traded on a recognized stock exchange. Fair value has been determined by referring to their quoted bid prices at the reporting date.

b) Managed funds

The underlying investments of managed funds primarily comprise of quoted and unquoted securities. The fair value of the quoted underlying securities has been determined by reference to their quoted bid prices at the reporting date. The fair value of the unquoted underlying securities has been determined using valuation techniques that are normally used by fund managers. All significant inputs into the model are based on observable market prices

c) Unquoted shares

Unquoted shares are measured at fair value estimated using various models like discounted cash flow model, and market multiples which include some assumptions that are not supportable by observable market prices or rates or the latest financial statements or information available on these investments the future financial flows of which are unpredictable.

Notes to the interim condensed consolidated financial information (continued)

22 Fair value measurement (continued)

22.3 Fair value hierarchy (continued)

Level 3 fair value measurement

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

	30 Sept. 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	30 Sept. 2024 (Unaudited) KD
Opening balance	71,379,899	63,757,182	63,757,182
Purchases	2,531,639	9,280,402	6,504,673
Sales/derecognitions	(20,134,231)	(3,167,658)	(2,941,576)
Change in fair value	1,445,651	1,509,973	(203,178)
Closing balance	55,222,958	71,379,899	67,117,101

Changing inputs to the level 3 valuations to reasonably possible alternative assumptions would not change significantly amounts recognized in the interim condensed consolidated statement of profit or loss and other comprehensive income, total assets, total liabilities or total equity.

The impact on interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of profit or loss and other comprehensive income would be immaterial if the relevant risk variable used to fair value the level 3 investments were changed by 5%.

23 Capital commitments

At the date of the interim condensed consolidated statement of financial position, the Group had capital commitments of KD29,486(31 December 2024: KD29,785 and 30 September 2024: KD71,090) for the investments in managed funds.

24 Annual ordinary general assembly and extraordinary general assembly

The annual ordinary general assembly of the shareholders of Parent Company held on 11 May 2025 approved the consolidated financial statements for the year ended 31 December 2024. It also approved the board of directors' proposal to distribute a cash dividend of 3 Fils per share (2023: 2 Fils per share). It approved 5% bonus shares through increase of the share capital for the financial year ended 31 December 2024 (2023: bonus share at 4%). Further, the annual general assembly approved the board of directors' and committees' remuneration of KD77,850 for the year ended 31 December 2024 (31 December 2023: KD68,050), which has been recorded under expenses in the current interim condensed consolidated statement of profit or loss.

25 Subsequent events

Subsequent to the reporting date, the Parent Company increased the share capital of a 100% owned subsidiary from KD20,000 to KD6,270,000 by converting a loan of KD6,250,000 previously granted to the subsidiary into equity.

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