

Wathaq Takaful Insurance Company (K.S.C.P)
and its Subsidiaries and its subsidiaries
State of Kuwait

Interim condensed consolidated financial information (Unaudited)
and review report for the six months period ended 30 June 2025

**Wathaq Takaful Insurance Company (K.S.C.P) and its Subsidiaries and its subsidiaries
State of Kuwait**

Interim condensed consolidated financial information (Unaudited) and review report
For the six months period ended 30 June 2025

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Report on review of interim condensed consolidated financial information

The Board of Directors

Wathaq Takaful Insurance Company (K.S.C.P) and its Subsidiaries State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Wathaq Takaful Insurance Company (K.S.C.P) and its Subsidiaries ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 June 2025 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended.

The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation disclosed in note no. (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 the 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 disclosed in note no. (2).

Material Uncertainty related to Going Concern

This does not affect our opinion referred to herein above. In accordance with ISA 570, we draw attention to Note 18 of the interim condensed consolidated financial information is in consistent with the books of the Parent Company incurred accumulated losses of KD 6,588,740 as at 30 June 2025 (KD 6,772,927 as at 31 December 2025). These events or conditions indicate that material uncertainty exists that may cast significant doubts on the Company's ability to continue as a going concern, which depends on the Company achieving profits and enhancing its cash flows in the future.



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Report on review of other legal and regulatory requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting records of the Parent Company. We further report that nothing has come to our attention indicating any contravention during the six months period ended 30 June 2025, of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, or of the provisions of Law No. 7 of year 2010 concerning the Capital Markets Authority, Executive Regulations and its related regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that would materially affect the Group's activities or its consolidated financial position.

13 August 2025
Kuwait



Ali Mohammed Kouhari
Licence No.156-A
Member of PrimeGlobal

Wathaq Takaful Insurance Company (K.S.C.P) and its Subsidiaries
State of Kuwait

Interim condensed consolidated statement of financial position (Unaudited)
As at 30 June 2025

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Assets				
Cash and cash equivalents		71,517	66,370	101,461
Investment deposits		20,500	20,500	32,286
Financial assets at fair value through profit or loss	4	322,712	267,781	285,487
Financial assets at fair value through other comprehensive income	5	913,677	885,622	809,939
Amount due from policyholders	6	158,993	68,159	63,281
Investment properties	7	2,886,075	2,886,075	2,879,865
Property and equipment		39,472	39,409	64,767
Debtors and other debit balances		131,987	85,789	20,834
Total assets		4,544,933	4,319,705	4,257,920
Equity and liabilities				
Equity				
Share capital		11,025,000	11,025,000	11,025,000
Treasury shares		(50,489)	(50,489)	(50,489)
Treasury shares reserve		3,508	3,508	3,508
Statutory reserve		388,139	388,139	388,139
Fair value reserve		(361,059)	(389,114)	(464,797)
Foreign currency translation reserve		(43,949)	(43,949)	(18,551)
Employees' stock option plan reserve		65,964	65,964	65,964
Accumulated losses		(6,588,740)	(6,772,927)	(6,806,563)
Total equity		4,438,374	4,226,132	4,142,211
Liabilities				
Creditors and other credit balances		106,559	93,573	115,709
Total liabilities		106,559	93,573	115,709
Total equity and liabilities		4,544,933	4,319,705	4,257,920

The accompanying notes form an integral part of these interim condensed consolidated financial information.



Nasser Enad Faisal Alenzi
Chairman



Hussam Ammar Mohamed Ammar
Vice Chairman

Wathaq Takaful Insurance Company (K.S.C.P) and its Subsidiaries
State of Kuwait

Interim condensed consolidated statement of profit or loss (Unaudited)
For the six months period ended 30 June 2025

	For the three months period ended		For the six months period ended	
Notes	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue				
Lease income	12,449	10,591	46,836	42,034
Income from investment deposits	216	132	431	265
Change in fair value of financial assets at fair value through profit or loss	51,835	5,098	54,931	27,964
Dividend income	17,775	-	41,428	-
Management fees from policyholders	(831)	10,520	78,225	10,520
Other income	-	4,544	518	8,938
Total revenue	81,444	30,885	222,369	89,721
Expenses				
General and administrative expenses	17,334	51,846	31,501	65,604
Total expenses	(17,334)	(51,846)	(31,501)	(65,604)
Profit before contribution to KFAS, NLST and Zakat	64,110	(20,961)	190,868	24,117
NLST	(1,603)	524	(4,772)	(603)
Zakat	(641)	210	(1,909)	(241)
Profit for the period	61,866	(20,227)	184,187	23,273
Basic and diluted earnings per share (Fils)	14 0.57	(0.19)	1.68	0.21

The accompanying notes form an integral part of these interim condensed consolidated financial information.

**Wathaq Takaful Insurance Company (K.S.C.P) and its Subsidiaries and its subsidiaries
State of Kuwait**

Interim condensed consolidated statement of comprehensive income (Unaudited)
For the six months period ended 30 June 2025

	For the three months period ended		For the six months period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Profit for the period	<u>61,866</u>	<u>(20,227)</u>	<u>184,187</u>	<u>23,273</u>
Other comprehensive income:				
<i>Items that will not be subsequently reclassified to consolidated statement of profit or loss:</i>				
Change in fair value of financial assets at fair value through other comprehensive income	58,037	32,113	28,055	48,643
<i>Items that may be subsequently reclassified to consolidated statement of profit or loss:</i>				
Exchange differences arising from translation of foreign operations	(2,064)	(3,187)	-	(397)
Other comprehensive income for the period	<u>55,973</u>	<u>28,926</u>	<u>28,055</u>	<u>48,246</u>
Total other comprehensive income for the period	<u>117,839</u>	<u>8,699</u>	<u>212,242</u>	<u>71,519</u>

The accompanying notes form an integral part of these interim condensed consolidated financial information.

**Wathaq Takaful Insurance Company (K.S.C.P) and its Subsidiaries and its subsidiaries
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**Interim condensed consolidated statement of changes in equity (Unaudited)
for the six months period ended 30 June 2025**

	Share capital	Treasury shares	Treasury shares reserve	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Employees' stock option plan reserve	Accumulated losses	Total equity
Balance at 1 January 2024	11,025,000	(50,489)	3,508	388,139	(513,440)	(18,154)	65,964	(6,829,836)	4,070,692
Profit for the period	-	-	-	-	-	-	-	23,273	23,273
Other comprehensive income for the period	-	-	-	-	48,643	(397)	-	-	48,246
Total comprehensive income for the period	-	-	-	-	48,643	(397)	-	23,273	71,519
Balance at 30 June 2024	11,025,000	(50,489)	3,508	388,139	(464,797)	(18,551)	65,964	(6,806,563)	4,142,211
Balance at 1 January 2025	11,025,000	(50,489)	3,508	388,139	(389,114)	(43,949)	65,964	(6,772,927)	4,226,132
Profit for the period	-	-	-	-	-	-	-	184,187	184,187
Other comprehensive income for the period	-	-	-	-	28,055	-	-	-	28,055
Total comprehensive income for the period	-	-	-	-	28,055	-	-	184,187	212,242
Balance at 30 June 2025	11,025,000	(50,489)	3,508	388,139	(361,059)	(43,949)	65,964	(6,588,740)	4,438,374

The accompanying notes form an integral part of these interim condensed consolidated financial information.

Wathaq Takaful Insurance Company (K.S.C.P) and its Subsidiaries and its subsidiaries
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Interim condensed consolidated statement of cash flows (Unaudited)
For the six months period ended 30 June 2025

	Notes	For the six months period ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Cash flows from operating activities			
Profit for the period		184,187	23,273
Adjustments:			
Change in fair value financial assets at fair value through profit or loss		(54,931)	(27,964)
Dividend income		(41,428)	-
Income from investment deposits		(431)	(265)
Operating loss before changes in working capital		87,397	(4,956)
Changes in working capital			
Debtors and other debit balances		(46,198)	(3,414)
Amount due from policyholders		(90,834)	45,927
Creditors and other credit balances		12,986	(31,097)
Net cash used in operating activities		(36,649)	6,460
Cash flows from investing activities			
Purchase of property and equipment		(63)	(397)
Sale of property and equipment		-	315
Dividends received		41,428	-
Investment deposits		431	265
Net cash from / (used in) financing activities		41,796	183
(Decrease) / increase in cash and cash equivalents		5,147	6,643
Cash and cash equivalents at beginning of the period		66,370	94,818
Cash and cash equivalent at the end of the period		71,517	101,461

The accompanying notes form an integral part of these interim condensed consolidated financial information.

**Wathaq Takaful Insurance Company (K.S.C.P) and its Subsidiaries and its subsidiaries
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Notes to the interim condensed consolidated financial information (Unaudited)
For the six months period ended 30 June 2025

1. Incorporation and activities

Wathaq Takaful Insurance Company - a Kuwaiti public shareholding company was established under Articles of Association No. 3656, Volume 1, dated 31 July 2000. It operates in accordance with the provisions of Law No. 125 of 2019 regarding the regulation of insurance under the Insurance Regulatory Unit Resolution No. 24 of 2022 licensing the companies that regularized their status according to the law and its executive regulations, as amended. Commercial Register No. 82421 dated 11 June 2004. The parent company's shares are listed on Boursa Kuwait on 20 December 2004.

On 28 August 2019, the new Insurance Law No. 125 of 2019 was issued. such law is effective from 1 September 2019 and supersedes Law No. 24 of 1961.

The executive regulations of Law No. 125 of 2019 regarding the regulation of insurance were issued on 11 March 2021. Pursuant to article No. 2 of the executive regulations, insurance companies shall have a one-year grace period starting from the date of issuance of the executive regulations to implement this law.

The purposes for which the company was established are to as follows:

First: To practice all Takaful and cooperative insurance activities except for life insurance and what is similar to it and what is related to it and compensation and investment of capital and property.

Second: To practice Takaful and cooperative insurance on other risks that are not explicitly stipulated in the articles of association and bylaws and in a manner that does not conflict with the provisions of Islamic Sharia and the organizing laws.

Third: To reinsure or obtain a guarantee against all or any of the risks and to carry out all types of reinsurance or insurance against any of the company's activities.

In order to achieve its purposes and pursuant to its bylaws, the company has the authority to carry out the following actions and transactions as the Board of Directors deems necessary:

A- To own and acquire the right to dispose of all that it deems necessary for it from movable and immovable assets or any part thereof or any privileges that the company believes are necessary and appropriate to the nature of its work and necessary to develop its funds.

B- Conduct all transactions, conclude all contracts and carry out all legal actions that it deems necessary and appropriate to achieve and facilitate its purposes under the conditions it deems appropriate.

C- To buy, sell, mortgage, lease, exchange, possess or display in any way any lands, real estate, securities, bonds, shares or any other movable or real estate assets. And to sell, lease, mortgage or dispose of all types of actions in all or some of the company's movable or real estate assets or properties.

D- Provide consultations and conduct technical studies in the field of insurance or reinsurance for companies or others that are directly interested in working in the field of Islamic insurance or reinsurance.

E- Work as an appraiser and valuer in the field of insurance and as an agent for insurance or reinsurance companies to perform all works that do not conflict with Islamic law after obtaining the necessary licenses.

F- To invest all or some of the company's movable or real estate assets in the various fields that it deems appropriate and in a manner that does not conflict with the laws and organizing decisions.

H- To merge with it, establish or participate in establishing companies, subscribe to their shares, sell company shares and support them in any way that is consistent with the company's purposes in accordance with the laws.

G- Exploit the company's financial surpluses by investing them in financial portfolios managed by specialized companies and entities.

The company shall directly carry out the aforementioned activities in the State of Kuwait and abroad, either as an original or by proxy. The company may have an interest or participate in any way with entities that carry out activities similar to its activities and that help it achieve its objectives in Kuwait or abroad. It may establish, participate in, or purchase such entities or affiliate them with it.

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Notes to the interim condensed consolidated financial information (Unaudited)
For the six months period ended 30 June 2025

Takaful insurance is an Islamic alternative to traditional trust and investment programs, based on the concept of mutual funds, whereby each policyholder receives his share of the surplus resulting from insurance activities in accordance with the parent company's articles of association and the approval of the Fatwa and Sharia Supervision Board.

The parent company carries out its business on behalf of the policyholders and provides funds to the policyholders' operations as and when needed.

The shareholders are responsible for the obligations incurred by the policyholders in the event of a deficit in the policyholders' funds and the liquidation of the operations.

The parent company holds all the assets of the policyholders and the shareholders' operations and the ownership documents of those assets.

These assets and liabilities as well as the results of the policyholders' operations are disclosed in the notes.

The parent company maintains separate accounting books for the policyholders and the shareholders. Revenues and expenses directly related to the activities of either are recorded in the accounts that pertain to them. The management and members of the board of directors determine the basis on which expenses from joint operations are distributed.

All insurance and investment operations are conducted in accordance with the principles of the tolerant Islamic Sharia, which are approved by the Fatwa and Sharia Supervisory Board.

The address of the Parent Company's registered office is Kuwait – Sharq - Khaled Bin Al Waleed Street - City Tower – Ground Floor.

The interim condensed consolidated financial information for the six-month period ended 30 June 2025 was authorized for issue by the Board of Directors of the Parent Company on 13 August 2025 .

The company is a subsidiary of Investment Dar Company K.S.C.C.

2. Basis of preparation

The interim condensed consolidated financial information is prepared in accordance with IAS 34 *"Interim Financial Reporting"*. The interim condensed consolidated financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2024. In the opinion of the management all adjustments (consisting of recurring accruals) have been included in the interim condensed consolidated financial information.

The operating results for the six month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025 .

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

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024. Certain amendments and interpretations apply for the first time on 1 January 2025 , but do not have an impact on the interim condensed consolidated financial information of the Group.

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Notes to the interim condensed consolidated financial information (Unaudited)
For the six months period ended 30 June 2025

3. Use of estimates and judgments

The preparation of interim condensed consolidated financial information in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on management's knowledge of events and actions, actual results differ from those estimates.

Estimates and assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the review and future periods if the revision affects both current and future periods.

Investment properties

The Group's management determined the fair value of investment properties using internal studies. This requires the management to assess different factors to arrive at best estimate of the property value.

4. Financial assets at fair value through profit or loss

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Local quoted securities	322,712	267,781	285,487
	322,712	267,781	285,487

5. Financial assets at fair value through other comprehensive income

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Local quoted securities	587,835	559,780	470,763
Local unquoted securities *	25,944	25,944	39,278
Managed portfolios	219,840	219,840	219,840
Managed funds	80,058	80,058	80,058
	913,677	885,622	809,939

* The parent company's management is currently updating the fair value inputs for the local unquoted securities and it is expected to finalize the valuation during the current year.

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Notes to the interim condensed consolidated financial information (Unaudited)
For the six months period ended 30 June 2025

6. Amount due from policyholders

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Beginning of the period / year	68,159	7,146,438	7,146,438
Disposals	-	(7,073,465)	(7,073,465)
Net movement	90,834	(4,814)	(9,692)
	<u>158,993</u>	<u>68,159</u>	<u>63,281</u>
Expected credit loss	-	-	-
Ending of the period / year	<u>158,993</u>	<u>68,159</u>	<u>63,281</u>

Amount due from the policyholders represents net movement in the policyholders' account for the net funds transfers from and to their account in addition to the management fees from the policyholders and advances funds to the policyholders' operations as and when required. The parent company's management had decided to reduce the management fees charged to the policyholders from 20% of gross premiums to 20% of net profit of the policyholders to settlement of the above due balances and also settle the Qard Hassan in such away that ensure continuity of the Takaful insurance activity for the policyholders.

7. Investment properties

The movement in investment property is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Beginning of the period / year	2,886,075	2,879,865	2,879,865
Change in fair value	-	6,210	-
Ending of the period / year	<u>2,886,075</u>	<u>2,886,075</u>	<u>2,879,865</u>

The investment property in Egypt amounting KD 2,819,690 as at 30 June 2025 (KD 2,819,690 as at 31 December 2024).

The above investment properties include a right of use of hotel apartments in Zamzam Tower in Holly Makkah – the Kingdom of Saudi Arabia amounting to KD 66,385 as at 30 June 2025 (KD 66,385 as at 31 December 2024).

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Notes to the interim condensed consolidated financial information (Unaudited)
For the six months period ended 30 June 2025

8. Consolidated policyholders' results

	For the six months period ended	
	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)
Revenues		
Insurance revenues	2,968,984	2,061,718
Insurance services expenses	(2,150,594)	(490,948)
Net expenses of reinsurance contracts	(452,399)	(1,547,369)
Results of insurance services	365,991	23,401
Income / expenses of financing from issued insurance contracts	(20,326)	32,700
Expenses / income of financing from held reinsurance contracts	15,703	(24,907)
Net results of insurance financing	(4,623)	7,793
Net deficit of insurance services	361,368	31,194
Other revenues	38,196	32,815
Net deficit from Takaful insurance operations	399,564	64,009
lease income	23,746	14,456
lease related expenses	(32,187)	(25,863)
Net results of other activities	(8,441)	(11,407)
Net deficit	391,123	52,602

- According to the parent company's articles of association, shareholders are entitled to a management fee from the company's policyholders amounting to 20% of total subscriptions and investment income. The Board of Directors, in its meeting held on 21 June 2017, decided to calculate the management fee at 20% of net profits instead of 20% of revenues, as shareholders' right to the results of policyholders, effective 1 April 2017, until further notice.

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Notes to the interim condensed consolidated financial information (Unaudited)
For the six months period ended 30 June 2025

9. Statement of policyholders' assets, liabilities and fund

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Assets				
Cash and cash equivalents	3,010,692	2,090,751	306,257	80,417
Investment deposits	1,859,492	1,159,492	1,159,492	1,159,492
Debtors and other debit balances	940,115	889,799	1,082,026	815,240
Financial assets at fair value through other comprehensive income	102,861	100,966	112,757	111,638
Goodwill	409,766	409,766	409,766	409,766
Assets of held reinsurance contracts	908,884	1,064,839	2,711,981	3,698,644
Property and equipment	17,775	34,935	3,515	3,520
Total assets	7,249,585	5,750,548	5,785,794	6,278,717
Liabilities and policyholders' fund				
Liabilities				
liabilities of issued insurance contracts	3,449,336	1,941,898	1,385,819	1,776,834
End of service benefits	300,343	275,007	245,522	361,861
Creditors and other credit balances	2,650,436	3,089,800	3,338,084	3,377,731
Amount due to shareholders *	158,993	68,159	63,281	7,146,438
Qard Hassan from shareholders *	-	-	-	1,625,611
Total liabilities	6,559,108	5,374,864	5,032,706	14,288,475
Policyholders' fund				
Policyholders' rights *	537,294	630,256	879,318	(7,929,958)
Provision for insurance and reinsurance contracts	(5,960)	(5,960)	(5,960)	(5,960)
Fair value reserve	(153,755)	(155,650)	(162,351)	(163,470)
Net (deficit) / surplus of policyholders	391,123	(92,962)	52,601	112,037
Management fees due to shareholders	(78,225)	-	(10,520)	(22,407)
Total policyholders' fund as at the end of the period / year	690,477	375,684	753,088	(8,009,758)
Total liabilities and policyholders' fund	7,249,585	5,750,548	5,785,794	6,278,717

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For the six months period ended 30 June 2025

10. Related parties

Related parties primarily comprise of directors, key management personnel, associates, subsidiaries, shareholders and companies of which the Parent Company is principal owner or over which they are able to exercise significant influence. All related party transactions are carried out on terms approved by the group's management.

The following is the summary of significant related party transactions.

	For the six months period ended		
	30 June 2025	30 June 2024	
	(Unaudited)	(Unaudited)	
Shareholders			
Interim condensed consolidated statement of profit or loss:			
Salaries and other short-term benefits	7,500	7,500	
	30 June 2025	31 December 2024	30 June 2024
	(Unaudited)	(Audited)	(Unaudited)
Interim condensed consolidated statement of financial position :			
Financial assets at fair value through other comprehensive income	913,677	885,622	809,939

Financial assets at fair value through other comprehensive income above include the Group's investments in the shares of subsidiaries of the ultimate parent company (Investment Dar Company) amounting to KD 454,385 (31 December 2024: KD 441,382 and 30 June 2024: KD 454,385).

	For the six months period ended	
	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)
Policyholders		
Top management compensation		
Salaries and other short-term benefits	25,750	42,115
End of service benefits	2,395	3,416
	28,145	45,531

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Notes to the interim condensed consolidated financial information (Unaudited)

For the six months period ended 30 June 2025

11. Segment reporting

	<u>Investment</u>	<u>Takaful insurance</u>	<u>Unaaocated</u>	<u>Total</u>
Shareholders				
Six months ended 30 June 2025 (Unaudited)				
Gross revenue	144,144	78,225	-	222,369
Profit / (Loss) for the Period	105,962	78,225	-	184,187
Total assets	4,385,940	158,993	-	4,544,933
Total liabilities	(106,559)	-	-	(106,559)
Net assets	4,279,381	158,993	-	4,438,374

Shareholders				
Six months ended 30 June 2024 (Unaudited)				
Gross revenue	79,201	10,520	-	89,721
Profit / (Loss) for the Period	12,753	10,520	-	23,273
Total assets	4,194,639	63,281	-	4,257,920
Total liabilities	(115,709)	-	-	(115,709)
Net assets	4,078,930	63,281	-	4,142,211

	<u>Investment</u>	<u>Takaful insurance</u>	<u>Car rental</u>	<u>Unaaocated</u>	<u>Total</u>
Policyholders					
Six months ended 30 June 2025 (Unaudited)					
Gross revenue	38,196	2,968,984	23,746	-	3,030,926
Profit / (Loss) for the Period	38,196	361,368	(8,441)	-	391,123
Total assets	4,870,184	1,963,242	416,159	-	7,249,585
Total liabilities	-	(6,297,228)	(261,880)	-	(6,559,108)
Net assets	4,870,184	(4,333,986)	154,279	-	690,477

Policyholders					
Six months ended 30 June 2024 (Unaudited)					
Gross revenue	32,815	2,061,718	14,456	-	2,108,989
Profit / (Loss) for the Period	32,815	31,194	(11,407)	-	52,602
Total assets	1,578,506	3,831,743	375,545	-	5,785,794
Total liabilities	-	(4,833,337)	(199,369)	-	(5,032,706)
Net assets	1,578,506	(1,001,594)	176,176	-	753,088

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12. Subsidiaries

Subsidiary's name	Country of incorporation	Principal activities	30 june 2025	Ownership % 31 December 2024	30 june 2024
Consolidated with shareholders					
Hala Real Estate Investment Company (L.L.C)	Arab Republic of Egypt	Real estate investment, marketing, purchase, sale and lease of land for its own account or third parties.	100 %	100 %	100 %
Consolidated with policyholders					
Ward Car Rental Company (K.S.C.C)	State of Kuwait	Car rental, tradeing in car and spare parts in the State of Kuwait	100 %	100 %	100 %

13. Earnings per share

The basic and diluted earnings per share are calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period less treasury shares.

The Parent Company had no outstanding dilutive potential shares.

The following is the profit and weighted average number of shares outstanding during the period which is used to calculate the profit per share.

	For the three months period ended		For the six months period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Profit for the period	61,866	(20,227)	184,187	23,273
Weighted average number of shares outstanding during the period	110,250,000	110,250,000	110,250,000	110,250,000
Treasury shares	(445,500)	(445,500)	(445,500)	(445,500)
	109,804,500	109,804,500	109,804,500	109,804,500
Basic and diluted earnings per share (Fils)	0.57	(0.19)	1.68	0.21

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14. Fair value of financial instruments

A) Valuation and assumptions applied for the purposes of measuring fair value

The following is the fair value determined for financial assets:

- The fair value of financial assets (quoted securities) with standard terms and conditions and traded in active markets is determined by reference to quoted market prices.
- The fair value of financial assets (unquoted funds) is determined based on observable current market transaction prices.
- The fair value of other financial assets (unquoted securities) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using observable market data.

B) Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- 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 included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 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 financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	30 June 2025			
	Level 1	Level 2	Level 3	Total
Shareholders				
Financial assets at fair value through profit or loss	322,712	-	-	322,712
Financial assets at fair value through other comprehensive income	587,835	-	325,842	913,677
	<u>910,547</u>	<u>-</u>	<u>325,842</u>	<u>1,236,389</u>
Policyholders				
Financial assets at fair value through other comprehensive income	22,866	-	79,995	102,861
	<u>22,866</u>	<u>-</u>	<u>79,995</u>	<u>102,861</u>

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15. Fair value of financial instruments (continued)

31 December 2024				
	Level 1	Level 2	Level 3	Total
Shareholders				
Financial assets at fair value through profit or loss	267,781	-	-	267,781
Financial assets at fair value through other comprehensive income	559,780	-	325,842	885,622
	<u>827,561</u>	<u>-</u>	<u>325,842</u>	<u>1,153,403</u>
Policyholders				
Financial assets at fair value through other comprehensive income	20,970	-	79,996	100,966
	<u>20,970</u>	<u>-</u>	<u>79,996</u>	<u>100,966</u>
30 June 2024				
	Level 1	Level 2	Level 3	Total
Shareholders				
Financial assets at fair value through profit or loss	285,487	-	-	285,487
Financial assets at fair value through other comprehensive income	470,763	-	339,176	809,939
	<u>756,250</u>	<u>-</u>	<u>339,176</u>	<u>1,095,426</u>
Policyholders				
Financial assets at fair value through other comprehensive income	14,269	-	98,488	112,757
	<u>14,269</u>	<u>-</u>	<u>98,488</u>	<u>112,757</u>

As at 30 June 2025 , the fair value of financial instruments approximates their carrying amounts. The Group's management has estimated that the fair value of its financial assets and liabilities approximates their carrying amounts largely due to the short maturity of these financial instruments.

There were no transfers between Levels 1, 2 and 3 during the period.

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15. Annual general assembly meeting

The annual general assembly of shareholders was held on 25 May 2025 and approved the consolidated financial statements for the year ended 31 December 2024.

The General Assembly also approved Board of Directors remuneration in the amount of KD 25,000 for the year ended 31 December 2024.

16. Contingencies

The Group is a defendant in a number of legal case filed by Takaful contract holders in respect of claims subject to dispute with the Group including a legal case filed by a government body against the Group for an amount of 3,636,022 KD which the Group has provided for in the accounts and other payable . Although the Court of Appeal passed its ruling in favor of the State and the parent company filed an appeal in cassation before the Court of Cassation, the parent company has made provisions which, in its opinion, are adequate to cover any resultant liabilities.

17. Going Concern

The company's accumulated losses amounted to KD 6,588,740 on 30 June 2025 . this indicates the existence of risk associated with the parent company's going concern. However the company's management believes that despite significant doubt about the company's ability to address the above risk, the parent company is able to generate profits and positive cash flows from its future operation, which will eliminate the going concern risk.