

**TAAMEER REAL ESTATE INVESTMENT COMPANY K.S.C.P. AND
ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2024
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

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REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors
Taameer Real Estate Investment Company K.S.C.P.
State of Kuwait

Introduction

We have reviewed the interim condensed consolidated statement of financial position of Taameer Real Estate Investment Company K.S.C.P. (the "Parent Company") and its subsidiaries (the "Group") as of June 30, 2024 and the interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and cash flows for the six months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial information performed by the Independent Auditor of the Entity." A review of interim condensed consolidated 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.

Basis for Qualified Conclusion

The interim condensed consolidated financial information for the period ended June 30, 2024, includes an investment in an associate with a carrying value of KD 674,168 (December 31, 2023 – KD 714,276, June 30, 2023 – KD 1,414,615), representing 4.40% of the Group's total consolidated assets (December 31, 2023 – 4.64%, June 30, 2023 – 6.26%). This investment was equity accounted for based on the interim condensed consolidated financial information which included a qualified conclusion in its review report relating to the following:

- a) Subsidiaries of the associate representing 1.7% and 7.9% (December 31, 2023 – 1.7% and 8.1%, June 30, 2023 – 4.7% and 9.9%) of the associate's total assets and liabilities respectively were consolidated based on management accounts prepared by the management of these subsidiaries, whereby the independent auditors were not able to verify balances, transactions and disclosures of these subsidiaries.
- b) Associates whose assets represent 5.5% (December 31, 2023: 5.5%, June 30, 2023 – 4.8%) of the total assets of the associate were accounted for using the equity method. The associate did not account for its share of these associates business result as at June 30, 2024 because of the unavailability of reviewal of the financial information of these associates.
- c) The interim condensed consolidated financial information for an associate company as of June 30, 2024 includes a income amounting to KD 923,630 resulting from the disposal of discontinued operations. We were unable to obtain sufficient and appropriate audit evidence regarding the procedures for disposing of discontinued operations and the fulfillment of contract terms and the consequent reduction of existing liabilities of the Group or calculating the profit on disposal of those discontinued operations.

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We were not able to identify any adjustments that maybe necessary in relation to the carrying value of the Group's investment in an associate, or the consequential impact of the Group's share of results and share of other comprehensive income to the accompanying interim condensed consolidated financial information.

Qualified Conclusion

Based on our review, with the exception of the possible effect of the matter described in the "Basis for Qualified Conclusion" paragraph above, 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 International Accounting Standard 34, "Interim Financial Reporting".

Material Uncertainty Related To Going Concern

We draw attention to Note (13) to the interim condensed consolidated financial information which indicate that the Group incurred a loss for the financial period ended June 30, 2024 amounting to KD 184,954 (December 31, 2023 - KD 1,469,692, June 30, 2023 – KD 327,866) and the Group's accumulated losses amounting to KD 15,033,783 (December 31, 2023 – KD 14,855,700, June 30, 2023 – KD 13,710,679), and the Group's current liabilities exceeded its current assets by KD 4,320,529 (December 31, 2023 – KD 4,249,409, June 30, 2023 – 2,829,171). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. This matter is not considered to be an additional qualification to the qualified conclusion.

Emphasis of Matter

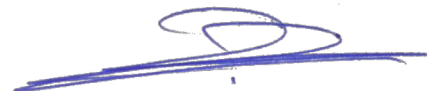
- As mentioned in Note (5) in the consolidated financial statements, the group has investment property amounting to KD 4,664,000 (December 31, 2023 - KD 4,664,000, June 30, 2023 – KD 4,573,667) registered in the name of one of the related parties and there is a initial contract for sale in favor of the Group while the related party still obtains ownership of the property until the settlement of the full payment. This matter is not considered to be an additional qualification to the qualified conclusion.
- As mentioned in Note No. (1), where the Capital Markets Authority Board of Commissioners issued a decision on July 31, 2024, the Board of Commissioners of the Capital Markets Authority in its meeting No. (34) of 2024 passed a resolution delisting the share of Taameer Real Estate Investment Company K.S.C.P from Bursa Kuwait Securities Exchange. This matter is not considered to be an additional qualification to the qualified conclusion.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, except for the matte described in the "Basis for Qualified Conclusion" paragraph above, we have not become aware of any violations of the Companies' Law No. 1 of 2016 and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended June 30, 2024 that might have had a material effect on the Parent Company's financial position or results of its operations.

Furthermore, during our review we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority and its related regulations during the six-month period ended June 30, 2024, that might have had a material effect on the Parent Company's financial position or results of its operations, except for the matter described in Note 6 that the Group holds treasury shares exceeding 10% of its total issued shares.

State of Kuwait
August 14, 2024

A blue ink signature of Dr. Shuaib A. Shuaib, consisting of a stylized, cursive script.

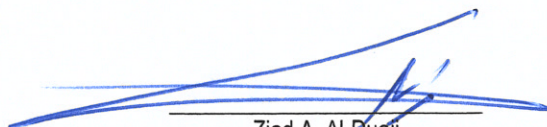
Dr. Shuaib A. Shuaib
License No. 33-A
RSM Albazie & Co.

TAAMEER REAL ESTATE INVESTMENT COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2024

(All amounts are in Kuwaiti Dinars)

| ASSETS | Note | June 30, 2024 | December 31, 2023 (Audited) | June 30, 2023 |
|---|------|-------------------|-----------------------------------|-------------------|
| Current assets | | | | |
| Cash on hand and at banks | | 277,184 | 242,734 | 775,823 |
| Accounts receivables and other debit balances | | 36,641 | 41,280 | 40,785 |
| Due from related parties | 3 | 114 | 114 | 643,686 |
| Total current assets | | 313,939 | 284,128 | 1,460,294 |
| Non-current assets | | | | |
| Financial assets at fair value through other comprehensive income | | 197,485 | 197,417 | 203,112 |
| Investment in associates | 4 | 10,155,015 | 10,246,543 | 1,414,615 |
| Investment properties | 5 | 4,664,000 | 4,664,000 | 8,725,263 |
| Property, plant and equipment | | 3,843 | 5,202 | 10,803,595 |
| Total non-current assets | | 15,020,343 | 15,113,162 | 21,146,585 |
| Total assets | | 15,334,282 | 15,397,290 | 22,606,879 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Accounts payables and other credit balances | | 2,354,639 | 2,419,533 | 2,411,226 |
| Due to related parties | 3 | 2,279,829 | 2,114,004 | 1,878,239 |
| Total current liabilities | | 4,634,468 | 4,533,537 | 4,289,465 |
| Non-current liabilities | | | | |
| Due to an associate company | 3 | - | - | 5,750,000 |
| Provision for end of service indemnity | | 39,663 | 37,538 | 33,824 |
| Total non-current liabilities | | 39,663 | 37,538 | 5,783,824 |
| Total liabilities | | 4,674,131 | 4,571,075 | 10,073,289 |
| Equity | | | | |
| Share capital | | 24,000,000 | 24,000,000 | 24,000,000 |
| Share premium | | 3,383,153 | 3,383,153 | 3,383,153 |
| Treasury shares | 6 | (1,436,019) | (1,436,019) | (1,094,266) |
| Statutory reserve | | 16,963 | 16,963 | 16,963 |
| Voluntary reserve | | 16,963 | 16,963 | 16,963 |
| Cumulative changes in fair value reserve | | (1,736) | (1,804) | (64,030) |
| Foreign currency translation reserve | | (466,635) | (485,457) | (147,084) |
| Effect of decrease in an associate's ownership of a subsidiary | | 83,676 | 83,676 | - |
| Accumulated losses | | (15,033,783) | (14,855,700) | (13,710,679) |
| Equity attributable to shareholders of the Parent Company | | 10,562,582 | 10,721,775 | 12,401,020 |
| Non-controlling interests | | 97,569 | 104,440 | 132,570 |
| Total equity | | 10,660,151 | 10,826,215 | 12,533,590 |
| Total equity and liabilities | | 15,334,282 | 15,397,290 | 22,606,879 |

The accompanying notes from (1) to (14) form an integral part of this interim condensed consolidated financial information.


 Ziad A. Al-Dualj
 Chairman

TAAMEER REAL ESTATE INVESTMENT COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2024

(All amounts are in Kuwaiti Dinars)

| | Note | For the three months ended June 30, | | For the six months ended June 30, | |
|--|------|--|------------------|--------------------------------------|------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Continuing operations: | | | | | |
| Operating revenue | | 27,282 | 94,289 | 45,168 | 188,886 |
| Operating costs | | (475) | (25,428) | (721) | (49,444) |
| Gross profit | | 26,807 | 68,861 | 44,447 | 139,442 |
| General and administrative expenses | | (82,111) | (86,327) | (140,304) | (164,467) |
| Depreciation | | (684) | (695) | (1,359) | (1,376) |
| Share of results from associates | 4 | (92,903) | (53,434) | (90,484) | (106,305) |
| Other income (expenses) | | (1,781) | (23,211) | 3,082 | (23,211) |
| Interest income | | 50 | 4,160 | 93 | 5,444 |
| Finance costs | 3 | (237) | (90,337) | (429) | (177,393) |
| Loss for the period | | (150,859) | (180,983) | (184,954) | (327,866) |
| Attributable to: | | | | | |
| Shareholders of the Parent Company | | (145,199) | (167,720) | (178,083) | (302,428) |
| Non-controlling interests | | (5,660) | (13,263) | (6,871) | (25,438) |
| Loss for the period | | (150,859) | (180,983) | (184,954) | (327,866) |
| Basic and diluted losses per share | | | | | |
| attributable to shareholders of the Parent Company (fils) | 7 | (0.70) | (0.76) | (0.86) | (1.37) |

The accompanying notes from (1) to (14) form an integral part of this interim condensed consolidated financial information.

TAAMEER REAL ESTATE INVESTMENT COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2024
(All amounts are in Kuwaiti Dinars)

| | For the three months ended | | For the six months ended | |
|--|----------------------------|------------------|--------------------------|------------------|
| | June 30, | June 30, | June 30, | June 30, |
| | 2024 | 2023 | 2024 | 2023 |
| Loss for the period | (150,859) | (180,983) | (184,954) | (327,866) |
| Other comprehensive income: | | | | |
| <u>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</u> | | | | |
| Foreign currency translation adjustments | 1,998 | (4,851) | 19,866 | (4,946) |
| Group's share from other comprehensive (loss) income of associates | 4 (1,044) | 52,590 | (1,044) | 32,607 |
| <u>Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</u> | | | | |
| Change in fair value of financial assets at fair value through other comprehensive income | 61 | (457) | 68 | (449) |
| Other comprehensive income for the period | 1,015 | 47,282 | 18,890 | 27,212 |
| Total comprehensive loss for the period | (149,844) | (133,701) | (166,064) | (300,654) |
| Attributable to: | | | | |
| Shareholders of the Parent Company | (144,184) | (120,438) | (159,193) | (275,216) |
| Non-controlling interests | (5,660) | (13,263) | (6,871) | (25,438) |
| | (149,844) | (133,701) | (166,064) | (300,654) |

The accompanying notes from (1) to (14) form an integral part of this interim condensed consolidated financial information.

TAAMEER REAL ESTATE INVESTMENT COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2024
(All amounts are in Kuwaiti Dinars)

| | Share capital | Share premium | Treasury shares | Statutory reserve | Voluntary reserve | Cumulative changes in fair value reserve | Foreign currency translation adjustments | Effect of decrease in an associate's ownership of a subsidiary | Accumulated losses | Total | Non - controlling interests | Total equity |
|--|--------------------------|-------------------------|---------------------------|----------------------|----------------------|--|--|--|----------------------------|--------------------------|-----------------------------|--------------------------|
| Balance as of January 1, 2023 | 24,000,000 | 3,383,153 | (1,094,266) | 16,963 | 16,963 | (63,581) | (174,745) | - | (13,408,251) | 12,676,236 | 158,008 | 12,834,244 |
| Loss for the period | - | - | - | - | - | - | - | - | (302,428) | (302,428) | (25,438) | (327,866) |
| Other comprehensive (loss) income for the period | - | - | - | - | - | (449) | 27,661 | - | - | 27,212 | - | 27,212 |
| Total comprehensive (loss) income for the period | - | - | - | - | - | (449) | 27,661 | - | (302,428) | (275,216) | (25,438) | (300,654) |
| Balance as of June 30, 2023 | <u>24,000,000</u> | <u>3,383,153</u> | <u>(1,094,266)</u> | <u>16,963</u> | <u>16,963</u> | <u>(64,030)</u> | <u>(147,084)</u> | <u>-</u> | <u>(13,710,679)</u> | <u>12,401,020</u> | <u>132,570</u> | <u>12,533,590</u> |
| Balance as of January 1, 2024 | 24,000,000 | 3,383,153 | (1,436,019) | 16,963 | 16,963 | (1,804) | (485,457) | 83,676 | (14,855,700) | 10,721,775 | 104,440 | 10,826,215 |
| Loss for the period | - | - | - | - | - | - | - | - | (178,083) | (178,083) | (6,871) | (184,954) |
| Other comprehensive income for the period | - | - | - | - | - | 68 | 18,822 | - | - | 18,890 | - | 18,890 |
| Total comprehensive income (loss) for the period | - | - | - | - | - | 68 | 18,822 | - | (178,083) | (159,193) | (6,871) | (166,064) |
| Balance as of June 30, 2024 | <u>24,000,000</u> | <u>3,383,153</u> | <u>(1,436,019)</u> | <u>16,963</u> | <u>16,963</u> | <u>(1,736)</u> | <u>(466,635)</u> | <u>83,676</u> | <u>(15,033,783)</u> | <u>10,562,582</u> | <u>97,569</u> | <u>10,660,151</u> |

The accompanying notes from (1) to (14) form an integral part of this interim condensed consolidated financial information.

TAAMEER REAL ESTATE INVESTMENT COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2024

(All amounts are in Kuwaiti Dinars)

| | For the six months ended June 30 | |
|--|-------------------------------------|-----------------------|
| | <u>2024</u> | <u>2023</u> |
| Cash flows from operating activities: | | |
| Loss for the period | (184,954) | (327,866) |
| Adjustment for: | | |
| Depreciation | 1,359 | 1,376 |
| Share of results from associates | 90,484 | 106,305 |
| Interest income | (93) | (5,444) |
| Finance cost | 429 | 177,393 |
| Provision for end of service indemnity | 2,125 | 2,151 |
| | <u>(90,650)</u> | <u>(46,085)</u> |
| Changes in working capital: | | |
| Accounts receivables and other debit balances | 4,639 | 305 |
| Due from related parties | - | 47,595 |
| Accounts payables and other credit balances | (64,894) | (18,786) |
| Due to related parties | 165,396 | 15,691 |
| Net cash flows generated from (used in) operations | <u>14,491</u> | <u>(1,280)</u> |
| Cash flows from investing activities: | | |
| Additions on investment properties | - | (2,595) |
| Interest income received | 93 | 5,444 |
| Net cash flows generated from investing activities | <u>93</u> | <u>2,849</u> |
| Net increase in cash on hand and at banks | 14,584 | 1,569 |
| Foreign currency translation adjustments | 19,866 | (4,946) |
| Cash on hand and at banks at beginning of the period | <u>242,734</u> | <u>779,200</u> |
| Cash on hand and at banks at end of the period | <u><u>277,184</u></u> | <u><u>775,823</u></u> |

The accompanying notes from (1) to (14) form an integral part of this interim condensed consolidated financial information.

TAAMEER REAL ESTATE INVESTMENT COMPANY K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2024

(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities of the Parent Company

Taameer Real Estate Investment Company K.S.C.P. (the "Parent Company") is a Kuwaiti shareholding company in the state of Kuwait. The Parent Company was incorporated in accordance with article of association Ref No. 1168 Volume 3 dated on August 17, 1978. And subsequent amendments to it, the latest of which was what was entered in the Commercial Register on September 22, 2014.

The main activities of the Parent Company are as follows:

- a) Acquire, sell and purchase shares and bonds of real estate companies for the Company's account only within Kuwait and abroad;
- b) Develop studies and provide consulting in all types of real estate fields provided that the persons providing this service shall meet the required conditions;
- c) Acquire, manage, rent and lease hotels, health clubs and touristic facilities;
- d) Manage, operate, invest, rent and lease hotels, health clubs, motels, hospitality houses, rest houses, parks, gardens, exhibitions, restaurants, cafeterias, housing complexes, touristic and health resorts, entertainment and sports projects and shops at all degrees and levels including all primary and auxiliary services, associated facilities and other necessary services;
- e) Organize real estate exhibitions related to Company's real estate projects in accordance with the Ministry's applicable regulations;
- f) Acquire and manage commercial markets and residential complexes; and
- g) Hold real estate auctions in accordance with the Ministry's applicable regulations.

The registered address of the Parent Company registered office is P.O. Box 29295 Safat, 13153– State of Kuwait.

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on August 14, 2024.

The Parent Company was listed in Bursa Kuwait. On December 10, 2023 the share of the Parent Company was suspended from trading, subsequent to the date of the interim condensed consolidated financial information on July 31, 2024 the Board of Commissioners of the Capital Markets Authority in its meeting No. (34) of 2024 passed a resolution delisting the share of Al-Taameer Real Estate Investment Company - K.S.C.P. from Bursa Kuwait Securities Exchange.

2. Basis of preparation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2023.

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the period ended June 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2023.

TAAMEER REAL ESTATE INVESTMENT COMPANY K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

JUNE 30, 2024

(All amounts are in Kuwaiti Dinars)

3. Related party disclosures

The Group has entered into various transactions with related parties, i.e. shareholders, key management personnel and other related parties in the normal course of its business. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Balances included in the Interim condensed consolidated statement of financial position:

| | <u>Shareholders</u> | <u>Other related parties</u> | <u>June 30, 2024</u> | December 31, 2023 (Audited) | June 30, 2023 |
|--|---------------------|------------------------------|----------------------|--------------------------------|------------------|
| Due from related parties | 18,680 | 523,972 | 542,652 | 542,652 | 1,186,224 |
| Less: provision for expected credit losses | <u>(18,566)</u> | <u>(523,972)</u> | <u>(542,538)</u> | <u>(542,538)</u> | <u>(542,538)</u> |
| | <u>114</u> | <u>-</u> | <u>114</u> | <u>114</u> | <u>643,686</u> |
| Due to related parties | 2,176,174 | 103,655 | 2,279,829 | 2,114,004 | 1,878,239 |
| Due to an associate company | - | - | - | - | 5,750,000 |

The balances due from / to related parties are interest free are receivable / payable on demand.

Transactions included in the Interim condensed consolidated statement of profit or loss:

| | <u>Nature of the relationship</u> | Three months ended June 30, | | Six months ended June 30, | |
|---------------|-----------------------------------|--------------------------------|---------------|------------------------------|----------------|
| | | <u>2024</u> | 2023 | <u>2024</u> | 2023 |
| Finance costs | Shareholders | <u>237</u> | <u>90,337</u> | <u>429</u> | <u>177,393</u> |

4. Investment in associates

| <u>Name of the associates</u> | <u>Country of incorporation</u> | <u>Main activities</u> | <u>Ownership %</u> | <u>June 30, 2024</u> | December 31, 2023 (Audited) | June 30, 2023 |
|---|---------------------------------|------------------------|--------------------|----------------------|--------------------------------|------------------|
| Al Massaleh Real Estate Company K.S.C.P. | Kuwait | Real Estate | 21.052% | 674,168 | 714,276 | 1,414,615 |
| Phoenix International Holding Limited - Private Company Limited by Shares | United Arab Emirates | Real Estate | 49.618% | <u>9,480,847</u> | <u>9,532,267</u> | <u>-</u> |
| | | | | <u>10,155,015</u> | <u>10,246,543</u> | <u>1,414,615</u> |

Movement during the period / year is as follows:

| | <u>June 30, 2024</u> | December 31, 2023 (Audited) | June 30, 2023 |
|---|----------------------|--------------------------------|------------------|
| Balance at beginning of the period / year | <u>10,246,543</u> | 1,488,313 | 1,488,313 |
| Acquisition of an associate | - | 10,467,000 | - |
| Share of result from the associate | <u>(90,484)</u> | <u>(1,150,708)</u> | <u>(106,305)</u> |
| Share of other comprehensive (loss) income from the associate | <u>(1,044)</u> | <u>(299,985)</u> | <u>32,607</u> |
| Group's share of treasury shares from associate ("reciprocal interest") | | | |
| (a) | - | (341,753) | - |
| Effect of decrease in an associate's ownership of a subsidiary | - | 83,676 | - |
| Balance at end of the period / year | <u>10,155,015</u> | <u>10,246,543</u> | <u>1,414,615</u> |

(a) This item represents an interest in equity shares held by the associates in the Parent Company. The Group has elected to account for such interest using the treasury shares method.

(b) The Group's share of contingent liabilities of the associate as of June 30, 2024, amounting to KD 24,041 (December 31, 2023: KD 24,041, June 30, 2023 – KD 24,041).

TAAMEER REAL ESTATE INVESTMENT COMPANY K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

JUNE 30, 2024

(All amounts are in Kuwaiti Dinars)

Summarized financial information for associates is as follows:

| | AI Massaleh Real Estate K.S.C.P. | | | Phoenix International Holding Limited – Private Company Limited by Shares | | | Total | | |
|--|----------------------------------|-----------------------------------|-------------------|--|-----------------------------------|------------------|--------------------|-----------------------------------|-------------------|
| | June 30, 2024 | December 31, 2023 (Audited) | June 30, 2023 | June 30, 2024 | December 31, 2023 (Audited) | June 30, 2023 | June 30, 2024 | December 31, 2023 (Audited) | June 30, 2023 |
| Assets: | | | | | | | | | |
| Current assets | 6,770,777 | 6,596,463 | 12,258,994 | 4,341,313 | 4,349,563 | - | 11,112,090 | 10,946,026 | 12,258,994 |
| Non-current assets | 72,543,699 | 72,599,372 | 63,678,039 | 66,979,784 | 67,033,142 | - | 139,523,483 | 139,632,514 | 63,678,039 |
| Total assets | 79,314,476 | 79,195,835 | 75,937,033 | 71,321,097 | 71,382,705 | - | 150,635,573 | 150,578,540 | 75,937,033 |
| Liabilities: | | | | | | | | | |
| Current liabilities | 8,307,534 | 7,925,799 | 8,873,350 | 160,859 | 34,363 | - | 8,468,393 | 7,960,162 | 8,873,350 |
| Non-current liabilities | 51,872,181 | 51,886,957 | 51,911,554 | 51,663,987 | 51,748,458 | - | 103,536,168 | 103,635,415 | 51,911,554 |
| Total liabilities | 60,179,715 | 59,812,756 | 60,784,904 | 51,824,846 | 51,782,821 | - | 112,004,561 | 111,595,577 | 60,784,904 |
| Net assets | 19,134,761 | 19,383,079 | 15,152,129 | 19,496,251 | 19,599,884 | - | 38,631,012 | 38,982,963 | 15,152,129 |
| Attributable to | | | | | | | | | |
| Equity attributable to shareholders of the Parent Company | 11,088,273 | 11,278,789 | 15,121,387 | 19,496,251 | 19,599,884 | - | 30,584,524 | 30,878,673 | 15,121,387 |
| Non-controlling interests | 8,046,488 | 8,104,290 | 30,742 | - | - | - | 8,046,488 | 8,104,290 | 30,742 |
| Ownership interest | 21.052% | 21.052% | 21.052% | 49.618% | 49.618% | - | - | - | 21.052% |
| Share in associates' net assets | 2,334,303 | 2,374,411 | 3,183,354 | 9,673,650 | 9,725,070 | - | 12,007,953 | 12,099,481 | 3,183,354 |
| Adjustment of Group's share of treasury shares from associates ("reciprocal interest") | (1,660,135) | (1,660,135) | (1,768,739) | (192,803) | (192,803) | - | (1,852,938) | (1,852,938) | (1,768,739) |
| Carrying value of investment in associates | 674,168 | 714,276 | 1,414,615 | 9,480,847 | 9,532,267 | - | 10,155,015 | 10,246,543 | 1,414,615 |

Summarized consolidated statement of profit or loss and other comprehensive income:

| | AI Massaleh Real Estate K.S.C.P. | | | Phoenix International Holding Limited – Private Company Limited by Shares | | | Total | | |
|---|----------------------------------|-----------------------------------|------------------|--|-----------------------------------|------------------|------------------|-----------------------------------|------------------|
| | June 30, 2024 | December 31, 2023 (Audited) | June 30, 2023 | June 30, 2024 | December 31, 2023 (Audited) | June 30, 2023 | June 30, 2024 | December 31, 2023 (Audited) | June 30, 2023 |
| Revenue | 2,573,680 | 6,563,397 | 3,511,727 | 2,587,282 | 4,841,476 | - | 5,160,962 | 11,404,873 | 3,511,727 |
| Expenses | (2,817,040) | (13,805,107) | (4,030,994) | (2,690,912) | (5,843,830) | - | (5,507,952) | (19,648,937) | (4,030,994) |
| Net loss for the year | (243,360) | (7,241,710) | (519,267) | (103,630) | (1,002,354) | - | (346,990) | (8,244,064) | (519,267) |
| Attributable to: | | | | | | | | | |
| Equity attributable to shareholders of the Parent Company | (185,558) | (4,428,137) | (504,964) | (103,630) | (1,002,354) | - | (289,188) | (5,430,491) | (504,964) |
| Non-controlling interests | (57,802) | (2,813,573) | (14,303) | - | - | - | (57,802) | (2,813,573) | (14,303) |
| | (243,360) | (7,241,710) | (519,267) | (103,630) | (1,002,354) | - | (346,990) | (8,244,064) | (519,267) |
| Ownership interest % | 21.052% | 21.052% | 21.052% | 49.618% | - | - | - | - | 21.052% |
| Share of result from associates | (39,064) | (932,211) | (106,305) | (51,420) | (218,497) | - | (90,484) | (1,150,708) | (106,305) |

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5. Investment properties

| | June 30, 2024 | December 31, 2023 (Audited) | June 30, 2023 |
|---|--------------------------|-----------------------------------|------------------|
| Balance at the beginning of period / year | 4,664,000 | 8,722,668 | 8,722,668 |
| Additions | - | 6,293 | 2,595 |
| Disposals | - | (4,155,293) | - |
| Change in fair value | - | 90,332 | - |
| Balance at the end of period / year | 4,664,000 | 4,664,000 | 8,725,263 |

During the year ended December 31, 2018, an investment property was purchased from a related party which has been classified as investment properties with a total consideration amounting to KD 5,000,000. This property is still registered in the name of the related party and the ownership has not yet been transferred to the Group pending the final settlement of the balance due to the related party amounting to KD 1,185,000 which is due no later than December 31, 2024.

6. Treasury shares

| | June 30, 2024 | December 31, 2023 (Audited) | June 30, 2023 |
|---|--------------------------|-----------------------------------|------------------|
| Number of shares | 9,627,000 | 9,627,000 | 9,627,000 |
| Treasury shares from associates ("reciprocal interest") (a) | 23,724,651 | 23,724,651 | 10,066,411 |
| | 33,351,651 | 33,351,651 | 19,693,411 |
| Percentage of paid up shares | 13.90% | 13.90% | 8.21% |
| Cost (KD) | 1,436,019 | 1,436,019 | 1,094,266 |

The Parent Company's management has allotted an amount equal to treasury shares balance from the share premium as at June 30, 2024. This balance is not available for distribution during the Group's retention period of these treasury shares.

- (a) During the year ended December 31, 2023, the Parent Company acquired interests representing 49.618% of Phoenix International Holding Limited – Private Company Limited By Shares (associate), which, in turn, holds 35,000,000 shares of the Parent Company. Consequently, the reciprocal interest of treasury shares was accounted for and added to the treasury shares of the Group bringing the total to 23,724,651 shares representing total reciprocal interests with associates plus 9,627,000 shares which are directly held by the Parent Company and its subsidiaries. Accordingly, the total shares becomes 33,351,651 shares representing 13.90% of the issued shares.

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7. Basic and diluted losses per share

There are no potential dilutive ordinary shares. The information necessary to calculate basic losses per share based on weighted average number of shares outstanding during the period is as follows:

| | Three months ended June 30 | | Six months ended June 30 | |
|---|-------------------------------|-------------------------|-----------------------------|-------------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Loss for the period attributable to the Parent Company's shareholders | <u>(145,199)</u> | <u>(167,720)</u> | <u>(178,083)</u> | <u>(302,428)</u> |
| <u>Number of shares outstanding:</u> | | | | |
| Number of issued shares at the beginning of the period | 240,000,000 | 240,000,000 | 240,000,000 | 240,000,000 |
| Less: Weighted average number of treasury shares | (9,627,000) | (9,627,000) | (9,627,000) | (9,627,000) |
| Less: Weighted average of treasury shares relating to reciprocal interest with associates | <u>(23,724,651)</u> | <u>(10,066,411)</u> | <u>(23,724,651)</u> | <u>(10,066,411)</u> |
| Weighted average number of shares outstanding at the end of the period | <u>206,648,349</u> | <u>220,306,589</u> | <u>206,648,349</u> | <u>220,306,589</u> |
| Basic and diluted losses per share (fils) | <u>(0.70)</u> | <u>(0.76)</u> | <u>(0.86)</u> | <u>(1.37)</u> |

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8. Segment information

Management has determined the operating segments based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

The Group is divided into divisions to manage its various activities. For the purposes of segment reporting, the Group's management has classified the Group's services into the following:

- Real estate operations: consisting of trading, developing, leasing and managing real estate and rental of investment properties.
- Investing operations: Investing in securities and associates.
- Health club operations: consisting of operations related to sports and health activities.

There are no inter-segmental transactions. The following table presents assets, liabilities, revenues, and expenses information regarding the Group's operating segments.

| | Six months ended June 30, 2024 | | | | Six months ended June 30, 2023 | | | |
|-------------------------------------|--------------------------------|------------------------|-----------------------|------------------|--------------------------------|-----------------------|------------------------|------------------|
| | Real estate operations | Health club operations | Investment operations | Total | Real estate operations | Investment operations | Health club operations | Total |
| Operating revenue | 17,428 | - | 27,740 | 45,168 | 173,736 | - | 15,150 | 188,886 |
| Operating costs | - | - | (721) | (721) | (44,156) | - | (5,288) | (49,444) |
| Gross profit | 17,428 | - | 27,019 | 44,447 | 129,580 | - | 9,862 | 139,442 |
| General and administrative expenses | (84,619) | - | (55,685) | (140,304) | (129,362) | - | (35,105) | (164,467) |
| Depreciation | (39) | - | (1,320) | (1,359) | (56) | - | (1,320) | (1,376) |
| Share of result from associates | - | (90,484) | - | (90,484) | - | (106,305) | - | (106,305) |
| Other income (expenses) | 3,082 | - | - | 3,082 | (23,211) | - | - | (23,211) |
| Interest income | 93 | - | - | 93 | 5,444 | - | - | 5,444 |
| Finance costs | (429) | - | - | (429) | (177,393) | - | - | (177,393) |
| Loss for the period | (64,484) | (90,484) | (29,986) | (184,954) | (194,998) | (106,305) | (26,563) | (327,866) |

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| | June 30, 2024 | | | | |
|-------------------|-----------------------------|----------------------|------------------------|------------------------|------------|
| | Real estate operations | Investing operations | Health club operations | Hospitality operations | Total |
| Total assets | 2,621,413 | 10,352,500 | 2,343,604 | 16,765 | 15,334,282 |
| Total liabilities | 1,197,665 | - | 3,452,195 | 24,271 | 4,674,131 |
| | | | | | |
| | December 31, 2023 (audited) | | | | |
| | Real estate operations | Investing operations | Health club operations | Hospitality operations | Total |
| Total assets | 2,585,226 | 10,443,960 | 2,351,037 | 17,067 | 15,397,290 |
| Total liabilities | 1,111,964 | - | 3,434,403 | 24,708 | 4,571,075 |
| | | | | | |
| | June 30, 2023 | | | | |
| | Real estate operations | Investing operations | Health club operations | Hospitality operations | Total |
| Total assets | 10,157,293 | 1,617,728 | 10,816,173 | 15,685 | 22,606,879 |
| Total liabilities | 994,556 | - | 9,056,026 | 22,707 | 10,073,289 |

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9. Contingent liabilities

The Group is contingently liable in respect of the following:

| | June 30, 2024 | December 31, 2023 (Audited) | June 30, 2023 |
|---------------------|--------------------------|-----------------------------------|------------------|
| Letter of guarantee | <u>5,406</u> | <u>5,406</u> | <u>5,406</u> |

10. Fair value measurement

The details of fair value measurement hierarchy are as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of captions recorded at fair value by level of the fair value hierarchy:

| June 30, 2024 | Level 2 | Level 3 | Total |
|---|-------------------------|-----------------------|-------------------------|
| Financial assets at fair value through other comprehensive income ("FVOCI") | - | 197,485 | 197,485 |
| Investment properties | 4,664,000 | - | 4,664,000 |
| Total | <u>4,664,000</u> | <u>197,485</u> | <u>4,861,485</u> |

| December 31, 2023 (Audited) | Level 2 | Level 3 | Total |
|---|------------------|----------------|------------------|
| Financial assets at fair value through other comprehensive income ("FVOCI") | - | 197,417 | 197,417 |
| Investment properties | 4,664,000 | - | 4,664,000 |
| Total | <u>4,664,000</u> | <u>197,417</u> | <u>4,861,417</u> |

| June 30, 2023 | Level 2 | Level 3 | Total |
|---|------------------|------------------|------------------|
| Financial assets at fair value through other comprehensive income ("FVOCI") | - | 203,112 | 203,112 |
| Investment properties | 7,126,263 | 1,599,000 | 8,725,263 |
| Total | <u>7,126,263</u> | <u>1,802,112</u> | <u>8,928,375</u> |

11. Annual General Assembly Meeting (AGM)

The Parent Company Shareholders' Annual General Assembly meeting held on June 9, 2024, had approved not to distribute cash dividends and proposed not to pay Board of Directors' remuneration for the year ended December 31, 2023.

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12. Legal cases

On October 20, 2020, the Touristic Enterprises Company "TEC" has filed a legal case (7713/2020) claiming Al-Corniche Marine Club Company K.S.C.C. (the subsidiary) for financial compensation for the utilization of the site (N-1) located at Arabian Gulf region amounting to KD 200,000, to be paid on monthly installments starting from date in which (TEC) has notified Al-Corniche Marine Club Company K.S.C.C. to evacuate the site until the date of actual evacuation on October 18, 2020. On February 18, 2021, the supreme court has issued a verdict to dismiss the legal case. During the year ended December 31, 2021, (TEC) has refiled a legal case (6270/2021) requesting the assignment of experts committee department to clarify the amounts owed by the subsidiary as monthly rental compensation amounting to KD 200,000. On December 2, 2021, the Court of First Instance - Commercial 19 ruled to obligate the Corniche Marine Club Company K.S.C.C. (the subsidiary) to pay KD 2,008,032, the subsidiary has recorded a provision for legal cases under accounts payable and other credit balances, noting that the subsidiary has appealed by the two appeals No. 29/2022 and 6880/2021 against the judgment issued, and a court session has been set on April 19, 2022 and the judgment of the appeal was to revoke the judgement, and the bring the case back to the Court of First Instance, a hearing has been scheduled on November 3, 2022 before the new commercial/first instance circuit (48). The case was adjourned for the hearing of May 11, 2023 and it was referred to Expert Department and a hearing was set on September 21, 2023 to peruse the Experts' report. On November 2, 2023, the Court decided to set the case for adjudication on November 16, 2023, whereon it rendered a judgment obligating the Company to pay KD 2 million. Both Company and the Litigant have brought appeals against this judgment for which the hearing of March 19, 2024 was set to consider the appeal. The Court decided to schedule the appeal for adjudication on the hearing of April 23, 2024.

On, April 23, 2024, the Court of Appeal dismissed both appeals brought by the litigant against the subsidiary and it rendered a judgment obligating the subsidiary to pay KD 115,445 to Touristic Enterprises Company "TEC". The procedures are in progress to appeal of discrimination against the judgment that was issued against the subsidiary. Accordingly, the Group's management is of the opinion to not reverse the previous recorded provision for the legal claims pending final decisions on the judgments issued in that case.

13. Going Concern Principle

The interim condensed consolidated financial information have been prepared on a going concern basis, which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business. The interim consolidated financial information does not include any adjustments that might arise due to uncertainty of the Group's ability to continue as a going concern.

As of June 30, 2024, the loss of the Group is amounting to KD 184,954 (December 31, 2023 - KD 1,469,692, June 30, 2023 - KD 327,866) and Group's accumulated losses is amounting to KD 15,033,783 (December 31, 2023 - KD 14,855,700, June 30, 2023 - KD 13,710,679), and the current liabilities exceed the current assets by KD 4,320,529 (December 31, 2023 - KD 4,249,409, June 30, 2023 - 2,829,171).

The Group's ability to continue as a going concern depends on its ability to make profits, enhance its future cash flows, restructure and reschedule its credit facilities, and the financial support of its major shareholders.

In the opinion of the Group's management, despite the existence of significant doubt about the Group's ability to continue as a going concern, which might result in the Group's inability to realize its assets and discharge its liabilities in the normal course of business, the Group's management is studying many strategies to improve operational performance, financial position and adequacy of the Group's financial resources.

14. Capital Risk Management

The Group's objectives when managing capital resources are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for shareholders and to maintain an optimal capital resource structure to reduce the cost of capital.

In order to maintain or adjust the capital resource structure, the Group may adjust the amount of cash dividends paid to shareholders, return paid up capital to shareholders, issue new shares, sell assets to reduce debt, repay facilities or obtain bank facilities.