Grant Thornton
Al-Qatami, Al-Aiban & Partners

Consolidated financial statements and independent auditor's report

Noor Financial Investment Company – KPSC and Subsidiaries

Kuwait

31 December 2025

Contents

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Al-Qatami, Al-Aiban & Partners

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Independent Auditor's Report

To the Shareholders of
Noor Financial Investment Company – KPSC
Kuwait

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Noor Financial Investment Company – KPSC (the "Parent Company") and its Subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and as adopted for use in the *State of Kuwait*.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Kuwait. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Equity Method of Accounting

The Group has investments in associates which are accounted for using the equity method of accounting and are significant to the Group's consolidated financial statements. Under the equity method, the Group's investment in associates is initially stated at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the net assets of these investments, less any impairment. The complexity of the Group's control environment and our ability as the Group's auditor to obtain an appropriate level of understanding of these entities including any related party transactions were significant to our audit. Due to these factors and the significance of the investment in associates to the Group's consolidated financial statements we consider this as a key audit matter.

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Independent Auditor's Report to the Shareholders of Noor Financial Investment Company – KPSC (continued)

Key Audit Matters (continued)

Equity Method of Accounting (continued)
Our audit procedures included, among others, determining the nature and extent of audit procedures to be carried out for these investments. During our audit we communicated with the components' auditors. We also provided instructions to the components' auditors covering the significant areas and risks to be addressed including the identification of related parties and transactions. Furthermore, we evaluated the Group's methodology and testing of the key assumptions used by the Group in determining the recoverable amount. We also assessed the adequacy of the Group's disclosures in Note 18 to the consolidated financial statements.

Valuation of investment properties
The total carrying value of the investment properties are significant to the Group's consolidated financial statements and are carried at fair value. Management determines the fair value of its investment properties on a periodic basis using external appraisers to support the valuation.

Investment properties are valued using mark to market approach which is based on the latest sale prices of properties within similar areas for certain investment properties, and income capitalization approach which is based on estimates and assumptions such as rental values, occupancy rates, discount rates, financial stability of tenants, market knowledge and historical transactions for certain other properties. Further, the disclosures relating to the assumptions are relevant, given the estimation uncertainty and sensitivity of the valuations. Given the size and complexity of the valuation of investment properties and the importance of the disclosures relating to the assumptions used in the valuation, we identified this as a key audit matter. The Group's disclosures about its investment properties are included in Notes 19 and 31.4 to the consolidated financial statements.

As part of our audit procedures amongst others, we have evaluated the above assumptions and estimates made by management and the external appraisers in the valuation and assessed the appropriateness of the data supporting the fair value. We also assessed management's consideration of the competence and independence of the external appraisers. Furthermore, we assessed the appropriateness of the disclosures relating to the sensitivity of the assumptions.

Other information included in the Group's 2025 Annual Report
Management is responsible for the other information. The other information comprises Board of Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete Group's Annual Report which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report to the Shareholders of Noor Financial Investment Company – KPSC (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB *and as adopted for use in the State of Kuwait*, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report to the Shareholders of Noor Financial Investment Company – KPSC (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's board of directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No.1 of 2016 and its Executive Regulations nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2025 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our audit and to the best of our knowledge and belief, 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 year ended 31 December 2025 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our audit, 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 the banking business, and its related regulations during the year ended 31 December 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
10 February 2026

Consolidated statement of profit or loss

	Notes	Year ended. 31 Dec. 2025 KD	Year ended. 31 Dec. 2024 KD
Income			
Revenue from contracts with customers	7	**19,639,970**	13,687,009
Share of results of associates	18	**32,818,204**	38,786,497
Net gain on financial assets at fair value	10	**1,642,597**	2,351,611
Rental income		**1,032,618**	830,686
Change in fair value of investment properties	19	**684,947**	277,440
Interest and other income	9	**650,224**	1,000,286
Reversal of impairment of property and equipment	16	**171,330**	-
Reversal of provision for legal case	36.2	**-**	2,376,572
Foreign exchange (loss)/gain		**(163,027)**	52,041
		56,476,863	59,362,142
Cost of contracts with customers	8	**(15,408,497)**	(10,148,241)
General, administrative, and other expenses	8	**(5,185,689)**	(4,999,601)
Finance costs	8	**(278,974)**	(805,679)
Provision charge for impairment of receivables		**(9,290)**	(20,946)
Profit for the year before provision for taxation and directors' remuneration		**35,594,413**	43,387,675
Taxation	11	**(800,063)**	(1,085,558)
Directors' remuneration	28	**(130,000)**	(130,000)
Profit for the year		**34,664,350**	42,172,117
Profit for the year attributable to:			
Owners of the Parent Company		**34,493,839**	42,014,503
Non-controlling interests		**170,511**	157,614
Profit for the year		**34,664,350**	42,172,117
Basic and diluted earnings per share (Fils)	12	**67.74**	82.51

Consolidated statement of profit or loss and other comprehensive income

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Profit for the year	**34,664,350**	42,172,117
Other comprehensive (loss)/income:		
Items that will be reclassified subsequently to consolidated statement of profit or loss:		
Exchange differences arising on translation of foreign operations	**(1,698,389)**	1,155,031
Share of other comprehensive income of associates	**(3,624,572)**	3,354,005
Net changes in fair value of investments at FVTOCI	**(20,338)**	(32,381)
Items that will not be reclassified subsequently to consolidated statement of profit or loss:		
Net change in fair value of investments at FVTOCI	**2,730,627**	1,944,998
Share of other comprehensive income of associates	**580,098**	782,384
Total other comprehensive (loss)/income for the year	**(2,032,574)**	7,204,037
Total comprehensive income for the year	**32,631,776**	49,376,154
Total comprehensive income attributable to:		
Owners of the Parent Company	**32,452,807**	49,185,914
Non-controlling interests	**178,969**	190,240
Total comprehensive income for the year	**32,631,776**	49,376,154

Consolidated statement of financial position

	Notes	**31 Dec. 2025 KD**	31 Dec. 2024 KD
Assets			
Cash and cash equivalents	13	**18,348,004**	22,753,083
Investments at fair value through profit or loss	14	**13,301,634**	15,580,222
Accounts receivable and other assets	15	**16,850,220**	7,822,852
Inventories		**1,198,260**	777,810
Trading properties	16	**1,402,236**	-
Investments at fair value through other comprehensive income	17	**13,008,643**	10,687,810
Investment in associates	18	**111,415,609**	101,341,490
Investment properties	19	**11,803,421**	12,754,717
Property and equipment		**2,821,183**	1,102,733
Right of use of assets		**578,362**	784,461
Goodwill	20	**2,029,278**	2,029,278
Total assets		**192,756,850**	175,634,456
Liabilities and Equity			
Liabilities			
Due to banks	13	**1,756,456**	1,937,486
Accounts payable and other liabilities	21	**13,661,940**	11,224,070
Lease liabilities	22	**758,901**	844,951
Provision for employees' end of service benefits		**1,475,629**	1,219,722
Total liabilities		**17,652,926**	15,226,229
Equity			
Share capital	23	**51,645,345**	51,645,345
Share premium	23	**3,410,573**	3,410,573
Treasury shares	24	**(1,197,666)**	(1,197,666)
Statutory and voluntary reserves	26	**44,251,724**	37,197,726
Other components of equity	25	**(50,523,624)**	(48,885,875)
Retained earnings		**125,318,416**	115,854,021
Equity attributable to the owners of the Parent Company		**172,904,768**	158,024,124
Non-controlling interests		**2,199,156**	2,384,103
Total equity		**175,103,924**	160,408,227
Total liabilities and equity		**192,756,850**	175,634,456

Riyadh Salem Ali Edrees
Chairman

The notes set out on pages 11 to 57 form an integral part of these consolidated financial statements.

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	Statutory and voluntary reserves KD	Other components of equity KD	Retained earnings KD	Sub-total KD	KD	KD
Balance as at 1 January 2025	**51,645,345**	**3,410,573**	**(1,197,666)**	**37,197,726**	**(48,885,875)**	**115,854,021**	**158,024,124**	**2,384,103**	**160,408,227**
Cash dividends (note 28)	-	-	-	-	-	(12,730,566)	(12,730,566)	-	(12,730,566)
Interim cash dividends (note 28)	-	-	-	-	-	(5,092,324)	(5,092,324)	-	(5,092,324)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(45,610)	(45,610)
Arising on acquiring additional interest in a subsidiary (note 6)	-	-	-	-	-	143,339	143,339	(269,704)	(126,365)
Redemption of units by non-controlling interests	-	-	-	-	-	-	-	(48,602)	(48,602)
Total transactions with owners	-	-	-	-	-	(17,679,551)	(17,679,551)	(363,916)	(18,043,467)
Profit for the year	-	-	-	-	-	34,493,839	34,493,839	170,511	34,664,350
Total other comprehensive (loss)/income for the year	-	-	-	-	(2,041,032)	-	(2,041,032)	8,458	(2,032,574)
Total comprehensive income for the year	-	-	-	-	(2,041,032)	34,493,839	32,452,807	178,969	32,631,776
Share of gain on sale of investments at FVTOCI by an associate	-	-	-	-	(70,252)	70,252	-	-	-
Loss on sale of investments at FVTOCI	-	-	-	-	845	(845)	-	-	-
Other adjustments arising from an associate	-	-	-	-	365,302	(365,302)	-	-	-
Share of other reserves of an associate	-	-	-	-	107,388	-	107,388	-	107,388
Transferred to reserves (note 26)	-	-	-	7,053,998	-	(7,053,998)	-	-	-
Balance as at 31 December 2025	**51,645,345**	**3,410,573**	**(1,197,666)**	**44,251,724**	**(50,523,624)**	**125,318,416**	**172,904,768**	**2,199,156**	**175,103,924**

The notes set out on pages 11 to 57 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Other components of equity KD	Retained earnings KD	Sub-total KD	KD	KD
Balance as at 1 January 2024	51,645,345	3,410,573	(1,197,666)	28,583,634	(56,342,069)	86,358,133	112,457,950	2,258,072	114,716,022
Cash dividends (note 28)	-	-	-	-	-	(4,073,781)	(4,073,781)	-	(4,073,781)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(54,610)	(54,610)
Redemption of units by non-controlling interests	-	-	-	-	-	-	-	(26,627)	(26,627)
Consolidation and other adjustments	-	-	-	-	-	(17,028)	(17,028)	17,028	-
Total transactions with owners	-	-	-	-	-	(4,090,809)	(4,090,809)	(64,209)	(4,155,018)
Profit for the year	-	-	-	-	-	42,014,503	42,014,503	157,614	42,172,117
Total other comprehensive income for the year	-	-	-	-	7,171,411	-	7,171,411	32,626	7,204,037
Total comprehensive income for the year	-	-	-	-	7,171,411	42,014,503	49,185,914	190,240	49,376,154
Share of gain on sale of investments at FVTOCI by an associate	-	-	-	-	(176,942)	176,942	-	-	-
Gain on sale of investments at FVTOCI	-	-	-	-	(3,446)	3,446	-	-	-
Other adjustments arising from an associate	-	-	-	-	465,171	5,898	471,069	-	471,069
Transferred to reserves (note 26)	-	-	-	8,614,092	-	(8,614,092)	-	-	-
Balance as at 31 December 2024	51,645,345	3,410,573	(1,197,666)	37,197,726	(48,885,875)	115,854,021	158,024,124	2,384,103	160,408,227

The notes set out on pages 11 to 57 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Notes	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
OPERATING ACTIVITIES			
Profit for the year before provision for taxation and directors' remuneration		**35,594,413**	43,387,675
Adjustments:			
Dividend income		**(599,295)**	(566,444)
Share of results of associates	18	**(32,818,204)**	(38,786,497)
Interest income		**(972,991)**	(1,952,275)
Change in fair value of investment properties	19	**(684,947)**	(277,440)
Reversal of provision for legal case	36.2	**-**	(2,376,572)
Reversal of impairment of property and equipment		**(171,330)**	-
Depreciation and amortisation		**453,856**	320,815
Provision charge for employees' end of service benefits		**217,104**	164,705
Finance costs	8	**278,974**	805,679
Provision charge for impairment of receivables		**9,290**	20,946
		1,306,870	740,592
Changes in operating assets and liabilities:			
Investments at fair value through profit or loss		**2,278,588**	(5,452,345)
Accounts receivable and other assets		**(5,326,380)**	(737,913)
Accounts payable and other liabilities		**1,150,719**	(995,117)
Inventories		**(165,226)**	(154,082)
Trading properties	16	**(1,230,906)**	-
Employees' end of service benefits paid		**(178,289)**	(542,369)
Net cash used in operating activities		**(2,164,624)**	(7,141,234)
INVESTING ACTIVITIES			
Change in pledged cash and cash equivalents		**(3,693)**	109,014
Additions to property and equipment		**(84,236)**	(175,319)
Advance payment for purchase of investment	15.1	**(3,475,938)**	(2,979,375)
Purchase of investments at FVTOCI		**-**	(5,356,277)
Proceeds from sale of investments at FVTOCI		**389,455**	14,064,113
Dividend received from associates	18	**18,136,025**	18,115,376
Dividend income received		**599,295**	566,444
Acquisitions/additional interest in subsidiaries	6	**(442,400)**	-
Interest income received		**857,388**	1,518,315
Net cash from investing activities		**15,975,896**	25,862,291
FINANCING ACTIVITIES			
Borrowings paid		**-**	(14,750,000)
Paid to non-controlling interests on capital reduction		**(23,324)**	(46,456)
Redemption of units by non-controlling interests		**(48,602)**	(26,627)
Dividend paid to non-controlling interests		**(46,255)**	(54,986)
Lease liabilities paid	22	**(186,796)**	(229,274)
Dividend paid		**(17,561,753)**	(4,027,587)
Finance costs paid		**(172,284)**	(735,558)
Net cash used in financing activities		**(18,039,014)**	(19,870,488)
Net decrease in cash and cash equivalents		**(4,227,742)**	(1,149,431)
Cash and cash equivalents at beginning of the year	13	**20,210,597**	21,360,028
Cash and cash equivalents at end of the year	13	**15,982,855**	20,210,597
Material non-cash transactions:			
Investment properties	19	**(1,685,000)**	-
Property and equipment		**1,685,000**	-

The notes set out on pages 11 to 57 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 Incorporation and activities

Noor Financial Investment Company - KPSC ("the Parent Company") was incorporated in Kuwait on 5 June 1996 and registered in the commercial register on 1 February 1997. The Parent Company is listed on Boursa Kuwait and is regulated by the Central Bank of Kuwait and the Capital Markets Authority.

The Parent Company is a subsidiary of National Industries Group Holding - KPSC ("the Ultimate Parent Company").

The Group comprises the Parent Company and its subsidiaries (together referred to as "the Group"). The details of the subsidiaries are described in note 6.

The Parent Company's principal activities are as follows:

- Investment Portfolio Manager.
- Collective Investment Scheme Manager.
- Subscription Agent.
- Investment Consultations.
- Custodian.
- Non-registered stockbroker in a stock exchange.
- Buying and selling of shares and bonds for the company's account.
- Buying and selling of land and real estate.
- Owning real estates and movables for the benefit of the company.
- Finance services.
- Commercial representation agencies.
- Investing financial surpluses through investment portfolios managed by specialized companies and entities.

The address of the Parent Company's registered office is Noor Building, Intersection of Al Jahra Street & Airport Road, Shuwaikh, P.O. Box 3311, Safat 13034, Kuwait.

On 4 December 2025, the Board of Directors proposed to the Parent Company's shareholders the conversion of the Parent Company's operations to comply with the provisions of Islamic Sharia. Subsequent to the reporting date, the Parent Company obtained the relevant regulatory approvals and is in the process of convening an Extraordinary General Assembly to seek shareholder approval for the conversion to Sharia-compliant operations.

The Board of Directors of the Parent Company approved these consolidated financial statements for issuance on 10 February 2026. The general assembly of the Parent Company's shareholders has the power to amend these consolidated financial statements after issuance.

2 Statement of compliance

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), as modified for use by the State 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 requirements for measurement of expected credit losses ("ECL") for credit facilities, 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.

Notes to the consolidated financial statements (continued)

2 Statement of compliance (continued)

These consolidated financial statements have been prepared under the assumption the Group operates on a going concern basis, which assumes the Group will be able to discharge its liabilities as they fall due. In confirming the validity of the going concern basis of preparation, the Group has considered various factors and has a reasonable expectation that the Group has and will have adequate resources to continue its operations for the foreseeable future.

3 Changes in accounting policies

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following amendments to existing IFRS Accounting Standards were effective for the current period.

Standard or Interpretation	*Effective for annual periods beginning*
IAS 21 Amendments – Lack of exchangeability	1 January 2025

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 consolidated financial statements.

3.2 IASB Standards issued but not yet effective

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

Notes to the consolidated financial statements (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

Standard or Interpretation	*Effective for annual periods beginning*
IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments - Amendments	1 January 2026
Annual Improvements to IFRS Accounting Standards – volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments - Amendments
The amendments to IFRS 9 and IFRS 7 addresses three changes:

- Derecognition of a financial liability settled through electronic transfer whereby entities are permitted to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option would be required to apply it to all settlements made through the same electronic payment system.

- Classification of financial assets based on a) contractual terms that are consistent with basic lending arrangements, b) assets with non-recourse description has been enhanced to include a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets, and c) contractually linked instruments have been clarified, and

- Disclosures relating to a) financial assets at FVTOCI where entities are required to disclose fair value gain or loss separately for financial assets derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period, and b) contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
The new standard will replace the IAS 1 Presentation of Financial Statements though it contains a number of the current requirements in the IAS 1. IFRS 18 sets out to ensure the financial statements provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- Two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes
- The classification of all income and expenses within the statement of profit or loss in one of five categories
- Disclosures of management-defined performance measures (MPM)
- An improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes

Notes to the consolidated financial statements (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)
Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed 'Basis of Preparation of Financial Statements'. The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7.

Management is currently working to identify all of the impacts that IFRS 18 will have on the primary consolidated financial statements and notes to the consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
IFRS 19 allows reduced disclosure requirements for an entity instead of the disclosure requirements in other IFRS Accounting Standards if the entity 1) is a subsidiary, 2) it does not have public accountability, 3) it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. An entity electing to apply IFRS 19 is required to apply other IFRS Accounting Standards, except for the disclosure requirements.

Management does not anticipate adoption of the new standard for its consolidated financial statements of the Group.

Annual Improvements to IFRS Accounting Standards – volume 11
The annual improvement project updates a number of standards primarily providing clarifications and removing inconsistencies.

Management does not anticipate adoption of the amendments will have a significant impact on the Group's consolidated financial statements.

4 Material accounting policies
The material accounting policies adopted in the preparation of these consolidated financial statements are set out below.

4.1 Basis of preparation
The consolidated financial statements have been prepared under the historical cost convention except for investments at fair value through profit or loss, investments at fair value through other comprehensive income and investment properties that are measured at fair value.

The consolidated financial statements have been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The Group has elected to present the "consolidated statement of profit or loss and other comprehensive income" in two statements: the "consolidated statement of profit or loss" and the "consolidated statement of profit or loss and other comprehensive income".

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.2 Basis of consolidation

The Group controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of the subsidiaries are prepared for reporting dates which are typically not more than three months from that of the Parent Company, using consistent accounting policies. Adjustments are made for the effect of any significant transactions or events that occur between that date and the reporting date of the Parent Company's financial statements.

All transactions and balances between Group's companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group's companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the Parent Company and the non-controlling interests based on their respective ownership interests.

When a controlling interest in the subsidiaries is disposed of, the difference between the selling price and the net asset value plus cumulative translation difference and goodwill is recognised in the consolidated statement of profit or loss. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

However, changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Parent Company.

4.3 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statement of profit or loss.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.3 Business combinations (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the consolidated statement of profit or loss immediately.

4.4 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. Risks induced by climate changes include transition risks (e.g. regulatory changes and reputational risks) and physical risks due to weather related events (e.g. storms, wildfires, rising sea levels). The Group has not identified significant risks induced by climate changes that could negatively and materially affect the Group's consolidated financial statements. Management continuously assesses the impact of climate-related matters.

4.5 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

4.5.1 Rendering of services

The Group earns fees and commission income from a diverse range of asset management, custody and brokerage services provided to its customers. Fee income can be divided into the following two categories:

- *Fee income earned from services that are provided over a certain period of time*

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management fees.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.5 Revenue (continued)

4.5.1 Rendering of services (continued)

- *Fee income from providing transaction services*

Fees income arising for rendering specific advisory services, brokerage services, equity and debt placement transactions for a third party or arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

4.5.2 Revenue from hotel operations

Revenue from hotel operations includes hotel services revenue, food and beverage and room revenue.

Room revenue is recognised on the rooms occupied on a daily basis and food and beverage and other related sales are accounted for at the time of sale and other related services are recognised on the performance of the service.

4.5.3 Revenue from IT services

Revenue from IT services represent IT related services and sale of IT related products. Revenue from these services is recognised as service is rendered. Customers are invoiced periodically in accordance with individual contracts as service provided. Any amounts remaining unbilled at the end of a reporting period are presented in the statement of financial position as accounts receivable as only the passage of time is required before payment of these amounts will be due.

4.5.4 Rental income

The Group earns rental income from operating leases of its investment properties.

4.5.5 Interest income

Interest income is recognised on a time proportion basis using effective interest method.

4.5.6 Dividend income

Dividend income, other than those from investments in associates, is recognised at the time the right to receive payment is established.

4.6 Operating expenses

Operating expenses are recognised in consolidated statement of profit or loss upon utilisation of the service or at the date of their origin.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4.8 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See note 4.3 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses. Refer to note 4.15 for a description of impairment testing procedures.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.9 Investment in associates

Associates are those entities over which the Group is able to exert significant influence but which are neither subsidiaries nor joint ventures. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the associate is not recognised separately and is included in the amount recognised as investment in associates.

Under the equity method, the carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The share of results of an associate is shown on the face of the consolidated statement of profit or loss. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are prepared either to the reporting date of the Parent Company or to a date not earlier than three months of the Parent Company's reporting date, using consistent accounting policies. Adjustments are made for the effects of significant transactions or events that occur between that date and the date of the Group's consolidated financial statements.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount under separate heading in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal are recognised in the consolidated statement of profit or loss.

However, when the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

4.10 Segment reporting

The Group has four operating segments: Investments, Real Estate, IT services and Hotel Operations. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services. Each of these operating segments is managed separately as each requires different approaches and other resources.

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements. In addition, assets or liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.11 Leases

The Group as a lessee
For any new contracts entered into, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Measurement and recognition of leases as a lessee
At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position as follows:

Right-of-use asset
The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent to initial measurement, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease liability
At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.11 Leases (continued)

The Group as a lessor
The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group classifies its leases as either operating or finance leases. When the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contacts. The sub-lease is classified as finance lease or operating lease by reference to the right-of-use of asset arising from the head-lease.

Rental income from operating leases is recognised on a straight-line basis over lease term. Initial direct cost incurred in arranging and negotiating a lease are added to the carrying amount of the lease assets and recognised on a straight-line basis over the lease term.

Amounts due under finance leases are recognised as receivables. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding for the finance lease.

4.12 Trading properties
Trading properties is stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each property to its present condition including identifiable finance cost. Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

4.13 Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The Group depreciates its equipment using the straight-line method at rates sufficient to write off the assets over their estimated useful economic lives. The residual value, useful lives and methods of depreciation are reviewed, and adjusted if appropriate at each financial year end.

4.14 Investment properties
Investment properties are properties held to earn rentals and/or for capital appreciation, and are accounted for using the fair value model.

Investment properties are initially measured at cost, including transaction costs. Subsequently, investment properties are re-measured at fair value on an individual basis based on valuations by independent real estate valuators and are included in the consolidated statement of financial position. Changes in fair value are taken to the consolidated statement of profit or loss.

Investment properties are de-recognised when either they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.15 Impairment testing of goodwill and non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually.

All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from the asset or each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effect of future reorganisations and assets enhancements. Discount factors are determined individually for each asset or cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

4.16 Financial instruments

4.16.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

All 'regular way' purchases and sales of financial assets are recognised on the trade date i.e. the date that the entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or, where applicable a part of financial asset or part of group of similar financial assets) is derecognised when:

- rights to receive cash flows from the assets have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset; or
  - (b) the Group has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.16 Financial instruments (continued)

4.16.1 Recognition, initial measurement and derecognition (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

4.16.2 Classification of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through other comprehensive income (FVTOCI)
- financial assets at fair value through profit or loss (FVTPL)

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

The Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (note 4.16.3); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. No such designation has been made.

4.16.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.16 Financial instruments (continued)

4.16.3 Subsequent measurement of financial assets (continued)

Financial assets at amortised cost (continued)
The Group's financial assets at amortised cost comprise of the following:

- *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, balances with banks and other financial institutions and short-term deposits which are subject to an insignificant risk of changes in value.

- *Accounts receivable and other assets*

Accounts receivable and other assets are stated at original amount less allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

- *Due from related parties*

Due from related parties are financial assets originated by transactions by the Group with related parties and cash advances to the related parties.

Financial assets at FVTOCI
The Group accounts for financial assets at FVTOCI if the assets meet the following conditions:

• they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income will be recycled to the consolidated statement of profit or loss upon derecognition of the asset (except for equity investments at FVTOCI as detailed below).

Equity investments at FVTOCI
The Group's equity investments at FVOTCI comprises of investments in equity shares and funds. Investment is equity shares include both quoted and unquoted.

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

• it has been acquired principally for the purpose of selling it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
• it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.16 Financial instruments (continued)

4.16.3 Subsequent measurement of financial assets (continued)

Financial assets at FVTOCI (continued)

Equity investments at FVTOCI (continued)
Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the cumulative changes in fair value reserve. The cumulative gain or loss is transferred to retained earnings within the consolidated statement of changes in equity on disposal of investments at FVTOCI.

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss.

Debt instruments at FVTOCI:
The Group measures debt instruments at FVTOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

Debt instruments at FVTOCI are subsequently measured at fair value and gains and losses arising due to changes in fair value are recognised in other comprehensive income. Interest income and foreign exchange gains or losses are recognised in the consolidated statement of profit or loss. On derecognition, cumulative gains or losses previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of profit or loss. The management of the Group classifies the debt instruments under debt securities at FVTOCI.

Financial assets at FVTPL
Financial assets that do not meet the criteria for measurement at amortised cost or FVTOCI are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The category also contains investments in equity shares.

Assets in this category are measured at fair value with gains or losses recognised in consolidated statement of profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Group's financial assets at FVTPL comprise of the investments in equity shares and funds.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.16 Financial instruments (continued)

4.16.4 Impairment of financial assets

All financial assets except for those at FVTPL and Equity investments at FVTOCI are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets at amortised cost or at FVTOCI.

For financial assets (except instalment credit debtors), the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Instalment credit debtors are subject to the minimum provisioning requirements of the Central Bank of Kuwait. Management believes that the impairment allowance for the instalment credit debtors under the CBK requirements exceed the requirements of IFRS 9.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The Group always recognises lifetime ECL for accounts receivable and other assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognises an impairment gain or loss in the consolidated statement of profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.16 Financial instruments (continued)

4.16.4 Impairment of financial assets (continued)
If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

4.16.5 Classification and subsequent measurement of financial liabilities
The Group's financial liabilities include due to banks, lease liabilities and accounts payable and other liabilities.

The subsequent measurement of financial liabilities depends on their classification as follows:

- ***Financial liabilities at amortised cost***

These are stated at amortised cost using effective interest rate method. The Group categorises financial liabilities at amortised cost into the following categories:

- *Due to banks*

Due to banks are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

- *Accounts payables and other liabilities*

Accounts payable and other liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

4.16.6 Amortised cost of financial instruments
This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

4.16.7 Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16.8 Fair value of financial instruments
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.17 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued and paid up.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Statutory and voluntary reserves comprise appropriations of current and prior period profits in accordance with the requirements of the Companies' Law and the Parent Company's Memorandum of Incorporation and Articles of Association.

Other components of equity include the following:

- Foreign currency translation reserve – comprises of foreign currency translation differences arising from the translation of financial statements of the Group's foreign subsidiaries and associates into Kuwaiti Dinar.
- Cumulative changes in fair value reserve – comprises of gains and losses relating to investment at fair value through other comprehensive income and Group's share of cumulative change in fair value reserve of associates.
- Other reserves of associate - comprises of the Group's share of other reserves of associate.

Retained earnings include all current and prior periods profit and loss. All transactions with owners of the Parent Company are recorded separately within consolidated statement of changes in equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved by a General Assembly of the shareholders.

4.18 Treasury shares

Treasury shares consist of the Parent Company's own issued shares that have been re-acquired by the Group and not yet reissued or cancelled. The treasury shares are accounted for using the cost method. Under this method, the weighted average cost of the shares re-acquired is charged to a contra account in equity.

When the treasury shares are reissued, gains are credited to a separate account in equity, (the "gain on sale of treasury shares reserve"), which is not distributable. Any realised losses are charged to the same account to the extent of the credit balance on that account. Any excess losses are charged to retained earnings then to the voluntary reserve and statutory reserve. No cash dividends are paid on treasury shares which are directly held by the Parent Company. The issue of stock dividend shares increases the number of treasury shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

4.19 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.19 Provisions, contingent assets and contingent liabilities (continued)

Contingent assets are not recognised in the consolidated statement of financial position, but are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the consolidated statement of financial position, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

4.20 Foreign currency translation

4.20.1 Functional and presentation currency

The consolidated financial statements are presented in Kuwaiti Dinar (KD), which is also the functional currency of the Parent Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

4.20.2 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in consolidated statement of profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Translation difference on non-monetary asset classified as, "fair value through profit or loss" is reported as part of the fair value gain or loss in the consolidated statement of profit or loss and "fair value through other comprehensive income" is reported as part of the cumulative change in fair value reserve within consolidated statement of profit or loss and other comprehensive income.

4.20.3 Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the KD are translated into KD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities are translated into KD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into KD at the closing rate. Income and expenses have been translated into KD at the average rate over the reporting period. Exchange differences are charged/credited to consolidated statement of profit or loss and other comprehensive income and recognised in the foreign currency translation reserve in equity.

On disposal of a foreign operation, the related cumulative translation differences recognised in consolidated statement of changes in equity are reclassified to consolidated statement of profit or loss and are recognised as part of the gain or loss on disposal.

4.21 End of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period in accordance with relevant labour law and the employees' contracts.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.21 End of service benefits (continued)

The expected costs of these benefits are accrued over the period of employment. This liability, which is unfunded, represents the amount payable to each employee as a result of termination on the reporting date.

With respect to its Kuwaiti national employees, the Group also makes contributions to the Public Institution for Social Security calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

4.22 Taxation

4.22.1 National Labour Support Tax (NLST)

NLST is calculated in accordance with Law No. 19 of 2000 and the Minister of Finance Resolutions No. 24 of 2006 at 2.5% of taxable profit of the Group attributable to the shareholders of the Parent Company. As per law, income from associates and subsidiaries, cash dividends from listed companies which are subjected to NLST have to be deducted from the profit for the year.

4.22.2 Kuwait Foundation for the Advancement of Sciences (KFAS)

The contribution to KFAS is calculated at 1% of taxable profit of the Group attributable to the shareholders of the Parent Company in accordance with the modified calculation based on the Foundation's Board of Directors' resolution, which states that income from associates and subsidiaries, Board of Directors' remuneration, transfer to statutory reserve should be excluded from profit for the year when determining the contribution.

4.22.3 Zakat

Contribution to Zakat is calculated at 1% of the profit of the Group attributable to the shareholders of the Parent Company in accordance with the Ministry of Finance resolution No. 58/2007 effective from 10 December 2007.

4.22.4 Taxation on overseas subsidiaries

Taxation on overseas subsidiaries is calculated on the basis of the tax rates applicable and prescribed according to the prevailing laws, regulations and instructions of the countries where these subsidiaries operate.

Deferred taxation is provided in respect of all temporary differences. Deferred tax assets are recognised in respect of unutilised tax losses when it is probable that the loss will be used against future profits.

4.22.5 Domestic Minimum Top-up Tax (DMTT)

Income taxes arising from tax law enacted by the State of Kuwait (Law No. 157 of 2024) for implementation of DMTT on entities which are part of multinational group with annual revenues of EUR 750 million or more are provided for in accordance with the Executive regulations issued through Ministerial Resolution No. 55 of 2025.

4.23 Inventories

Inventories are stated at the lower of cost or net realisable value and the cost is determined according to the weighted average method.

4.24 Fiduciary assets

Assets held in a trust or fiduciary capacity are not treated as assets of the Group and, accordingly, they are not included in these consolidated financial statements.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.25 Related party transactions
Related parties are associates, major shareholders, board of directors, executive staff, their family members and the companies owned by them. All related party transactions are carried out with the approval of the Group's management.

5 Significant management judgements and estimation uncertainty
The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

5.1 Significant management judgments
In the process of applying the Group's accounting policies, management has made the following significant judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

5.1.1 Business model assessment
The Group classifies financial assets after performing the business model test. This test includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured and the risks that affect the performance of the assets. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5.1.2 Significant increase in credit risk
Estimated credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define "significant" increase. Therefore, assessment whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

5.1.3 Judgements in determining the timing of satisfaction of performance obligations
The determination of the whether or not performance obligation criteria set out in IFRS 15 relating to transfer of control of goods and services to customers has been satisfied requires significant judgement.

5.1.4 Significant influence
Significant influence exists when the size of an entity's own voting rights relative to the size and dispersion of other vote holders, give the entity the practical ability unilaterally to direct the relevant activities of the investee.

5.1.5 Fair values of assets and liabilities acquired
The determination of the fair value of the assets, liabilities and contingent liabilities as a result of business combination requires significant judgement.

5.1.6 Classification of real estate property
Management decides on acquisition of a real estate property whether it should be classified as trading, property held for development or investment property.

Notes to the consolidated financial statements (continued)

5 Significant management judgements and estimation uncertainty (continued)

5.1 Significant management judgments (continued)

5.1.6 Classification of real estate property (continued)
The Group classifies property as trading property if it is acquired principally for sale in the ordinary course of business.

The Group classifies property as property under development if it is acquired with the intention of development.

The Group classifies property as investment property if it is acquired to generate rental income or for capital appreciation, or for undetermined future use.

5.1.7 Control assessment
When determining control, management considers whether the Group has the practical ability to direct the relevant activities of an investee on its own to generate returns for itself. The assessment of relevant activities and ability to use its power to affect variable return requires considerable judgement.

5.2 Estimates uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

5.2.1 Impairment of goodwill
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.2.2 Impairment of associates
After application of the equity method, the Group determines whether it is necessary to recognize any impairment loss on the Group's investment in its associates, at each reporting date based on existence of any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated statement of profit or loss.

5.2.3 Impairment of financial assets
Measurement of estimated credit losses involves estimates of loss given default and probability of default. Loss given default is an estimate of the loss arising in case of default by customer. Probability of default is an estimate of the likelihood of default in the future. The Group based these estimates using reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Notes to the consolidated financial statements (continued)

5 Significant management judgements and estimation uncertainty (continued)

5.2 Estimates uncertainty (continued)

5.2.4 Revaluation of investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of profit or loss. The Group engaged independent valuation specialists to determine fair values and the valuators have used valuation techniques to arrive at these fair values. These estimated fair values of investment properties may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5.2.5 Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and equipment.

5.2.6 Business combinations
Management uses valuation techniques in determining the fair values of the various elements of a business combination. Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

5.2.7 Fair value of financial instruments
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5.2.8 Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

5.2.9 Contract revenue
Recognised amounts of service and related receivables reflect management's best estimate of each contract's outcome and stage of completion. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

Notes to the consolidated financial statements (continued)

6 Subsidiary companies

Details of the Group's consolidated subsidiaries as of the reporting date are as follows:

Subsidiaries	Country of incorporation	Ownership percentage		Principle activity
		31 Dec. 2025	31 Dec. 2024	
Noor Kuwait Holding Co. - KSCC	Kuwait	**99.95%**	99.95%	Investment and related activities
Kuwaiti Indian Holding Co. – KSCC (note 6.1)	Kuwait	**66.92%**	56.59%	Investment and related activities
Noor GCC Islamic Fund	Kuwait	**95.29%**	95.54%	Investment and related activities
Al-Sohool Holding Co. – KSCC	Kuwait	**99.69%**	99.69%	Investment and related activities
Barwa National General Trading and Contracting Co. – WLL	Kuwait	**99%**	99%	General Trading and contracting
Cablesat for Satellite Services Co. - WLL	Kuwait	**99%**	99%	Leasing of submarine internet transmission cables
Digital Alliances for Marketing and Advertisement Co. - KSCC	Kuwait	**98%**	98%	Media and advertisement
IT Partners for Information Technology Co. - KSCC	Kuwait	**88.04%**	88.04%	Information Technology
Jabal Ali Real Estate Co. – WLL	Kuwait	**99%**	99%	Real Estate
Noor Jordan Kuwait Financial Investment Co. - PSCL	Jordan	**100%**	100%	Investment and related activities
Arabian Group for Investment and Real Estate and Agriculture Development Co.	Egypt	**98%**	98%	Real Estate Development

6.1 During the year, the Group acquired an additional 10.28% equity interest in Kuwaiti Indian Holding Company – KSC (Closed) for a total consideration of KD126,365. The Group recognised the gain of KD143,339 between the fair value of consideration paid and the share of net assets acquired directly in equity.

6.2 During the year, one of the Group subsidiaries acquired the whole ownership in a company located in Kuwait for a total consideration of KD316,035.

7 Revenue from contracts with customers

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Revenue earned at point of time:		
Hotel operations	**1,668,851**	1,459,790
IT services	**3,332,585**	2,548,614
Revenue earned over time:		
Hotel operations	**1,331,134**	1,355,856
IT services	**13,307,400**	8,322,749
	19,639,970	13,687,009

Notes to the consolidated financial statements (continued)

8 Cost of contracts with customers, general, administrative, and other expenses and finance costs

a) Cost of contracts with customers include the followings:

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Staff costs	**4,344,283**	4,120,755
Others	**11,064,214**	6,027,486
	15,408,497	10,148,241

b) General, administrative and other expenses include the following:

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Staff costs	**2,046,307**	2,332,048
Depreciation and amortization	**453,856**	320,815
Other expenses	**2,685,526**	2,346,738
	5,185,689	4,999,601

c) Finance costs include the following:

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
On financial liabilities at amortised cost:		
Borrowings and due to banks	**172,284**	733,032
Lease liabilities	**106,690**	72,647
	278,974	805,679

9 Interest and other income

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Interest income	**592,719**	965,314
Fees income	**2,953**	3,301
Other income	**54,552**	31,671
	650,224	1,000,286

Notes to the consolidated financial statements (continued)

10 Net gain on financial assets at fair value

Net gain on financial assets at fair value, analyzed by category, is as follows:

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Investments at fair value through profit or loss		
Interest income	**356,882**	199,964
(Loss)/gain on sale	**(6,491)**	206,584
Change in fair value	**638,242**	651,471
Dividend income	**338,288**	429,705
Total gain from investments at FVTPL	**1,326,921**	1,487,724
Investments at fair value through other comprehensive income		
Interest income	**16,860**	782,706
Dividend income	**261,007**	136,739
Gain/(loss) on sale	**37,809**	(55,558)
Total gain from investments at FVTOCI	**315,676**	863,887
Net gain on financial assets at fair value	**1,642,597**	2,351,611

11 Taxation

	31 Dec. 2025 KD	31 Dec. 2024 KD
Domestic Taxation	**635,678**	918,240
Kuwait Foundation for Advancement of Science	**10,475**	7,719
Income tax of overseas subsidiaries	**153,910**	159,599
	800,063	1,085,558

Kuwait Domestic Minimum Top-Up Tax

In 2021, the OECD Inclusive Framework ("IF") on Base Erosion and Profit Shifting ("BEPS") agreed on a two-pillar solution to address the tax challenges arising from the digitalization of the economy. In this context, the Government of Kuwait enacted Law No. 157 of 2024, which governs the taxation of multinational enterprises ("MNEs") operating in the State of Kuwait, the jurisdiction in which the Parent Company is incorporated. The Law became effective on 1 January 2025 and applies to MNEs operating in Kuwait with annual consolidated revenues of EUR 750 million or more in at least two of the four preceding fiscal years (the "revenue threshold"), as determined based on the consolidated financial statements of the Ultimate Parent Entity ("UPE"). The Law aims to ensure that MNEs pay tax at an effective rate of 15% on their Kuwait profits and introduces a domestic minimum top-up tax ("DMTT") aligned with the Pillar Two Model Rules.

On 29 June 2025, Kuwait's Ministry of Finance ("MOF") issued the Executive Regulations ("the Regulations") for Law No. 157 of 2024. The Regulations are intended to interpret and clarify the provisions of the Law, establish the relevant procedures and implementation mechanisms, and provide guidance to all affected parties. To provide greater certainty to taxpayers and ensure consistency with the OECD Model Rules, Article 116 of the Regulations requires that the Regulations be applied and interpreted in accordance with the Model Rules and the consolidated commentary.

Notes to the consolidated financial statements (continued)

11 Taxation (continued)

In accordance with the requirements of the Regulations and as a precautionary measure, UPE has completed registration with MOF as a MNE for itself and the Parent Company. However, given that the Regulations were only recently issued, the UPE is currently reviewing the applicability of the Law and the Regulations to itself and its subsidiaries, including an assessment of whether the UPE meets the minimum revenue threshold. Based on the current assessment, the Parent Company has recognized a provision representing the higher of (i) the estimated liability under DMTT and (ii) the obligations arising under laws relating to Zakat and National Labor Support Tax.

12 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the year attributable to the owners of the Parent Company by weighted average number of shares outstanding during the year excluding treasury shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	Year ended 31 Dec. 2025	Year ended 31 Dec. 2024
Profit for the year attributable to the owners of the Parent Company (KD)	**34,493,839**	42,014,503
Weighted average number of shares outstanding during the year (excluding treasury shares)	**509,222,655**	509,222,655
Basic and diluted earnings per share (Fils)	**67.74**	82.51

13 Cash and cash equivalents

	31 Dec. 2025 KD	31 Dec. 2024 KD
Cash and bank balances	**2,638,417**	2,992,290
Cash in portfolios	**259,324**	86,978
Short term deposits	**15,450,263**	19,673,815
Cash and cash equivalents as per consolidated statement of financial position	**18,348,004**	22,753,083
Less:		
Due to banks	**(1,756,456)**	(1,937,486)
Restricted bank balances	**(6,051)**	(5,000)
Pledged short-term deposits	**(602,642)**	(600,000)
Cash and cash equivalents as per consolidated statements of cash flows	**15,982,855**	20,210,597

The short-term deposits carry effective interest rate ranging between 2.5% to 4% (2024: 3% to 4.7%) per annum.

Due to banks represents bank overdraft facilities utilised by a subsidiary which is secured by pledge of short-term deposits of KD602,642 (2024: KD600,000), property and equipment of KD1,685,000 and a guarantee issued by one of the Group's subsidiaries. Due to banks carrying effective interest rate ranging between 5.25% to 6.5% (2024: 6.25% to 7%) per annum.

Notes to the consolidated financial statements (continued)

14 Investments at fair value through profit or loss

	31 Dec. 2025 KD	31 Dec. 2024 KD
Local quoted securities	**6,441,872**	4,987,921
Foreign quoted securities	**4,141,750**	4,452,374
Local unquoted securities	**1,417,832**	3,376,385
Foreign unquoted securities	**1,300,180**	2,763,542
	13,301,634	15,580,222

The hierarchy for determining and disclosing the fair values of investments at fair value through profit or loss is presented in note 31.3.

15 Accounts receivable and other assets

	31 Dec. 2025 KD	31 Dec. 2024 KD
Financial assets:		
Accounts receivable - net	**5,047,461**	2,786,344
Loans to customers	**20,083**	20,000
Accrued income - net	**298,794**	473,994
Due from related parties (note 15.1)	**3,590,895**	36,814
Other assets	**674,250**	641,609
	9,631,483	3,958,761
Non-financial assets:		
Advance payment for purchase of investment (note 15.1)	**6,455,313**	2,979,375
Other assets	**763,424**	884,716
	16,850,220	7,822,852

15.1 On 29 December 2024, the Group signed an initial non-binding agreement with a related party for purchase of a 17.5% interest in J3 Land and Real Estate Management and Development Company W.L.L., the developer of Project J3 Jaber Al-Ahmad Residential City in Kuwait, and a 9.4% interest in J3 Import and Export Company W.L.L., for a total consideration of KD9,931,250 payable in three instalments. During the prior year, the Group has made an advance payment of KD2,979,375.

As per the contract terms, the agreement becomes binding if the relevant official authorities and other required entities do not withhold the necessary approvals for the transfer of interest to the Group.

On 13 October 2025, the Board of Directors approved amendment to the original agreement, where both parties agreed that the Group undertakes to settle its share of any capital calls related to the project's, in proportion to his ownership percentage in the shares subject to transfer, until the completion of the official registration of the sold shares in the commercial register. Accordingly, during the year, the Group settled an amount of KD3,563,000 which has been recorded as due from related party.

On 23 November 2025, the Group settled the second advance payment amount of KD3,475,938, representing 50% of the remaining balance of the purchase consideration, in accordance with the amendment to the original agreement dated 20 November 2025.

As at the date of issuance of these consolidated financial statements, the remaining legal and procedural requirements have not yet been finalized. Consequently, the Group has not recognized the interest in the above companies in the consolidated financial statements for the year ended 31 December 2025.

Notes to the consolidated financial statements (continued)

16 Trading properties

	31 Dec. 2025 KD
Properties under Development	
Balance at the beginning of the year	-
Transferred from property and equipment	**171,330**
Addition during the year	**1,230,906**
Balance at the end of the year	**1,402,236**

In prior years, the Group fully recognised an impairment loss on property and equipment relating to a plot of land located in Egypt, which had been allocated to one of the Group's subsidiaries, due to a dispute associated with the incomplete development of the land.

During the current year, the Group obtained the approval of the relevant authorities in the Egypt to reallocate the land in favour of the subsidiary, in consideration for the settlement of an amount equivalent to KD1,230,906 and the waiver of all ongoing legal cases filed by the Group against the relevant authorities in Egypt. Accordingly, the Group settled the above amount, all existing legal cases were waived, and the reallocation registration procedures of the land were completed.

As a result, the Group reversed the impairment loss previously recognised in prior years amounting to KD171,330, which has been recognised as a gain in the consolidated statement of profit or loss.

Furthermore, the Group reclassified the above land from property and equipment to trading properties. This reclassification followed a change in use, as the Group is going to commence the development of a project, to build and sell residential villas.

17 Investments at fair value through other comprehensive income

	31 Dec. 2025 KD	31 Dec. 2024 KD
Local quoted securities	**10,391,933**	7,694,139
Foreign quoted securities	**256,017**	227,033
Local unquoted securities	**1,514,208**	1,552,721
Foreign unquoted securities	**844,113**	802,458
Foreign funds	**2,372**	2,397
Local debt securities	**-**	409,062
	13,008,643	10,687,810

The investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate these investments in equity instruments as at FVTOCI as it believes that recognising short-term fluctuations in the fair value of these investments in consolidated statement of profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The hierarchy for determining and disclosing the fair values of financial instruments is presented in note 31.3.

Notes to the consolidated financial statements (continued)

18 Investment in associates

18.1 Details of the associates are set out below:

Name of associate	Country of Incorporation	Ownership percentage 31 Dec. 2025 %	31 Dec. 2024 %	Principal activities
Meezan Bank Limited	Pakistan	**35.03**	35.15	Islamic Banking
Excellent Choice General Trading and Contracting Co. – WLL	Kuwait	**50**	50	General Trading & Contracting

18.2 Movement of investment in associates during the year are as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balance at the beginning of the year	**101,341,490**	74,910,265
Share of results	**32,818,204**	38,786,497
Share of other comprehensive income	**(3,044,474)**	4,136,389
Dividends	**(18,136,025)**	(18,115,376)
Foreign currency translation adjustments	**(1,670,974)**	1,152,646
Other adjustments	**-**	471,069
Share of other reserve	**107,388**	-
Balance at the end of the year	**111,415,609**	101,341,490

18.2.1 The summarised financial information of Meezan Bank Limited set out below represents the amounts presented in the financial statements of the associate (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associate, if any.

	31 Dec. 2025 KD	31 Dec. 2024 KD
Total assets	**5,234,832,823**	4,326,098,155
Total liabilities and non-controlling interests	**(4,924,284,973)**	(4,047,749,964)
Equity attributable to shareholders of Meezan Bank	**310,547,850**	278,348,191
Revenue	**456,600,658**	546,608,393
Profit for the year attributable to the shareholders of Meezan Bank	**98,842,802**	113,553,586
Other comprehensive (loss)/income for the year	**(8,236,973)**	11,595,551
Total comprehensive income for the year	**90,605,829**	125,149,137
Group's ownership interest	**35.03%**	35.15%
Group's share of net assets	**108,784,912**	97,834,379
Goodwill	**2,483,893**	2,510,306
Carrying value of Group's ownership interest	**111,268,805**	100,344,685
Fair value based on quoted price	**304,403,453**	168,788,692
Group's share of dividends (net of taxes)	**17,286,025**	18,115,376

Notes to the consolidated financial statements (continued)

18 Investment in associates (continued)

18.3 Group's share of associate's contingent liabilities and commitments:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Guarantees	**35,976,306**	30,427,647
Letters of credit	**118,395,163**	143,555,384
Commitments in respect of forward exchange contracts	**144,822,112**	109,171,787
Commitments for the acquisition of operating fixed assets and intangible assets	**1,025,925**	662,537
Commitments in respect of financing	**397,564,374**	450,331,671
Other contingent liabilities (note 18.3.1)	**685,464**	700,381
	698,469,344	734,849,407

18.3.1 The local income tax authority in Pakistan raised a demand requesting Meezan Bank Limited to pay additional tax equivalents to KD1.96 million (31 December 2024: KD1.99 million) of which Group's share is KD0.68 million (31 December 2024: KD0.7 million), for prior years. The associate has obtained a stay order against this demand and has filed appeals with the relevant appellate authorities. The Group's management, in consultation with the associate's management, is confident that the decision in respect of this matter would be in the associate's favour and, accordingly, no provision has been made either in the associate's financial statements or in these consolidated financial statements in this respect.

19 Investment properties

The movement in investment properties is as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balance at the beginning of the year	**12,754,717**	12,488,209
Change in fair value	**684,947**	277,440
Transferred to property and equipment (note 19.1)	**(1,685,000)**	-
Foreign currency translation adjustments	**48,757**	(10,932)
Balance at the end of the year	**11,803,421**	12,754,717

19.1 During the year, a property with carrying value of KD1,685,000 was transferred from investment properties to property and equipment due to change in use of the property to owner occupied property.

Investment properties are located as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Kuwait	**9,309,000**	10,670,000
UAE and Jordan	**1,612,581**	1,263,282
United Kingdom	**881,840**	821,435
	11,803,421	12,754,717

The measurement basis of fair value of the investment properties is disclosed in note 31.4.

Notes to the consolidated financial statements (continued)

20 Goodwill

The goodwill resulted from acquisition of a fellow subsidiary "Arab Information Management Services Company – KSC (Closed)". Goodwill has been allocated to the entire subsidiary for impairment testing.

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the CGUs to which these items are allocated. The recoverable amount is determined based on higher of value-in-use calculations or fair value less cost to sell.

Management used the following approach to determine values to be assigned to the following key assumptions in the value in use calculations.

Key assumption	*Basis used to determine value to be assigned to key assumption*
Growth rate	Anticipated average growth rate of 4% (2024: 7.7%) per annum. Value assigned reflects past experience and changes in economic environment.
	Cash flows beyond the five-year period have been extrapolated using a growth rate of 2.6% (2024: 2.82%). This growth rate does not exceed the long-term average growth rate of the market in which the CGU operates.
Discount rate	Discount rate of 17.7% (2024: 16.6%). Discount rate used is pre-tax and reflect specific risks relating to the relevant CGU.

The Group has performed a sensitivity analysis by varying these input factors by a reasonably possible margin and assessing whether the change in input factors result in any of the goodwill allocated to appropriate cash generating units being impaired. Based on the above analysis, there are no indications that goodwill included in any of the cash generating units is impaired.

21 Accounts payable and other liabilities

	31 Dec. 2025 KD	31 Dec. 2024 KD
Financial liabilities		
Accounts payable	**2,577,275**	478,717
Taxes payable	**3,631,650**	3,019,913
Accrued expenses	**3,087,959**	3,579,353
Dividend payable	**534,832**	274,337
Due to related parties	**310,000**	310,000
Payable on account of capital reduction in subsidiary	**390,434**	413,758
Other payables	**3,129,790**	3,147,992
	13,661,940	11,224,070

Notes to the consolidated financial statements (continued)

22 Lease liabilities

The Group has leases for properties under the operating leases. Following is the movement for the lease liabilities during the year:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balance at the beginning of the year	**844,951**	998,028
Finance costs charged for the year	**106,690**	72,647
Settled during the year	**(186,796)**	(229,274)
Foreign currency translation adjustments	**(5,944)**	3,550
Balance at the end of the year	**758,901**	844,951

Future minimum lease payments due are as follows:

	Minimum lease payments due		Total
	within 1 year KD	Over 1 year KD	KD
31 December 2025:			
Lease payments	**184,027**	**805,981**	**990,008**
Finance charges	**(56,885)**	**(174,222)**	**(231,107)**
Net present values	**127,142**	**631,759**	**758,901**
31 December 2024:			
Lease payments	187,792	961,580	1,149,372
Finance charges	(66,785)	(237,636)	(304,421)
Net present values	121,007	723,944	844,951

23 Share capital and share premium

23.1 As of 31 December 2025 and 31 December 2024, the authorised, issued and fully paid-up share capital of the Parent Company is KD51,645,345 comprising of 516,453,451 shares of 100 Fils each of which KD50,311,795 paid in cash and KD1,333,550 paid in kind.

23.2 Share premium is not available for distribution.

24 Treasury shares

	31 Dec. 2025	31 Dec. 2024
Number of shares	**7,230,797**	7,230,796
Percentage of issued shares	**1.40%**	1.40%
Market value (KD)	**3,181,551**	2,089,700
Cost (KD)	**1,197,666**	1,197,666

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

Notes to the consolidated financial statements (continued)

25 Other components of equity

	Foreign currency translation reserve KD	Cumulative changes in fair value KD	Other reserves of associate KD	Total KD
Balances at 1 January 2025	**(53,465,194)**	**4,579,319**	**-**	**(48,885,875)**
Net change in fair value of investments at FVTOCI	**-**	**2,701,831**	**-**	**2,701,831**
Share of other comprehensive loss of associates (note 18)	**-**	**(3,044,474)**	**-**	**(3,044,474)**
Share of gain on sale of investments at FVTOCI by an associate	**-**	**(70,252)**	**-**	**(70,252)**
Loss on sale of investment at FVTOCI	**-**	**845**	**-**	**845**
Exchange differences arising on translation of foreign operations	**(1,698,389)**	**-**	**-**	**(1,698,389)**
Other adjustments arising from an associate	**-**	**-**	**365,302**	**365,302**
Share of other reserves of an associate	**-**	**-**	**107,388**	**107,388**
Balances at 31 December 2025	**(55,163,583)**	**4,167,269**	**472,690**	**(50,523,624)**
Balances at 1 January 2024	(54,620,225)	(1,721,844)	-	(56,342,069)
Net change in fair value of investments at FVTOCI	-	1,879,991	-	1,879,991
Share of other comprehensive income of associates (note 18)	-	4,136,389	-	4,136,389
Share of gain on sale of investments at FVTOCI by an associate	-	(176,942)	-	(176,942)
Gain on sale of investment at FVTOCI	-	(3,446)	-	(3,446)
Exchange differences arising on translation of foreign operations	1,155,031	-	-	1,155,031
Share of other adjustments arising from an associate	-	465,171	-	465,171
Balances at 31 December 2024	(53,465,194)	4,579,319	-	(48,885,875)

26 Statutory and voluntary reserves

Statutory reserve

In accordance with the Companies Law and the Parent Company's Memorandum of Incorporation and Articles of Association, 10% of the Parent Company's profit for the year before KFAS, Zakat, NLST and directors' remuneration is to be transferred to statutory reserve. The Parent Company may resolve to discontinue such annual transfer when the reserve totals 50% of the paid-up share capital.

Distribution of the statutory reserve is limited to the amount required to enable the payment of a dividend up to 5% of paid-up share capital to be made in years when retained earnings are not sufficient for the distribution of a dividend of that amount.

Voluntary reserve

In accordance with the Parent Company's Memorandum of Incorporation and Articles of Association, a certain percentage of the Parent Company's profit for the year before KFAS, Zakat, NLST and directors' remuneration, is to be transferred to the voluntary reserve at the discretion of the Board of Directors which is to be approved at the General Assembly. There are no restrictions on distribution of voluntary reserve.

No transfer to reserves is required in a year in which the Group has incurred a loss or where accumulated losses exist.

Notes to the consolidated financial statements (continued)

26 Statutory and voluntary reserves (continued)

Voluntary reserve (continued)

The movement in the statutory and voluntary reserves is as follows:

	Statutory reserve KD	Voluntary reserve KD	2025 Total KD	2024 Total KD
Balances at 1 January	**18,598,863**	**18,598,863**	**37,197,726**	28,583,634
Transferred from retained earnings during the year	**3,526,999**	**3,526,999**	**7,053,998**	8,614,092
Balances at 31 December	**22,125,862**	**22,125,862**	**44,251,724**	37,197,726

27 Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be reconciled as follows:

	Lease liabilities KD	Due to banks KD	Total KD
Balance at 1 January 2025	**844,951**	**1,937,486**	**2,782,437**
Cash flows:			
• Proceeds	**-**	**14,695,149**	**14,695,149**
• Repayment	**(186,796)**	**(14,876,179)**	**(15,062,975)**
Non-cash transactions:			
• Finance costs charged during the year	**106,690**	**-**	**106,690**
• Foreign currency adjustments	**(5,944)**	**-**	**(5,944)**
31 December 2025	**758,901**	**1,756,456**	**2,515,357**
Balance at 1 January 2024	998,028	21,851	1,019,879
Cash flows:			
• Proceeds	-	11,154,553	11,154,553
• Repayment	(229,274)	(9,238,918)	(9,468,192)
Non-cash transactions:			
• Finance costs charged during the year	72,647	-	72,647
• Foreign currency adjustments	3,550	-	3,550
31 December 2024	844,951	1,937,486	2,782,437

28 Annual general assembly and dividends

Subsequent to the date of the consolidated statement of financial position, the board of directors proposed distribution to shareholders of a cash dividend of 25 Fils per share for the year ended 31 December 2025, including interim cash dividend of 10 fils per share. The interim cash dividend of 10 fils per share was approved by the board of directors in their meeting held of 13 August 2025, based on the authorization given by Parent Company's ordinary general meeting held on 19 May 2025. Furthermore, the Board of Directors' have proposed directors' remuneration amounting to KD130,000 for the year then ended. These proposals are subject to the approval of the general assembly and the regulatory authorities.

The Annual General Assembly of the shareholders of the Parent Company held on 17 March 2025 approved the consolidated financial statements for the year ended 31 December 2024 and the board of directors' proposal to distribute cash dividend to shareholders equivalent to 25 fils per share for the year ended 31 December 2024 (31 December 2023: 8 fils per share) and an amount of KD130,000 as directors' remuneration for the year ended 31 December 2024 (31 December 2023: KD177,500).

Notes to the consolidated financial statements (continued)

29 Segment analysis

The Group's activities are concentrated in four main segments: Investments, Real Estate, IT services and Hotel operations. These segments are identified based on internal management reporting information and regularly reviewed by the chief operating decision maker for resource allocation and performance assessment. The Group's principal activities, significant assets and liabilities are carried out and located mainly in Kuwait, Middle East, Pakistan and Europe.

Segmental information for the years ended 31 December 2025 and 31 December 2024 are as follows:

	Investments		Real Estate		IT services		Hotel operations		Total	
	31 Dec 2025 KD	31 Dec 2024 KD	**31 Dec 2025 KD**	31 Dec 2024 KD	**31 Dec 2025 KD**	31 Dec 2024 KD	**31 Dec 2025 KD**	31 Dec 2024 KD	**31 Dec 2025 KD**	31 Dec 2024 KD
Revenue from contracts with customers	-	-	-	-	**16,639,985**	10,871,363	**2,999,985**	2,815,646	**19,639,970**	13,687,009
Share of results of associates	**32,818,204**	38,786,497	-	-	-	-	-	-	**32,818,204**	38,786,497
Net gain on financial assets at fair value	**1,642,597**	2,351,611	-	-	-	-	-	-	**1,642,597**	2,351,611
Rental income	-	-	**1,032,618**	830,686	-	-	-	-	**1,032,618**	830,686
Change in fair value of investment propertie	-	-	**684,947**	277,440	-	-	-	-	**684,947**	277,440
Reversal of impairment of property and equipment	**171,330**	-	-	-	-	-	-	-	**171,330**	-
Reversal of provision for legal case	-	2,376,572	-	-	-	-	-	-	-	2,376,572
Interest income, other income and foreign exchange differences	**487,197**	1,052,327	-	-	-	-	-	-	**487,197**	1,052,327
Total Segment income	**35,119,328**	44,567,007	**1,717,565**	1,108,126	**16,639,985**	10,871,363	**2,999,985**	2,815,646	**56,476,863**	59,362,142
Cost of contracts with customers	-	-	-	-	**(14,399,111)**	(9,199,478)	**(1,009,386)**	(948,763)	**(15,408,497)**	(10,148,241)
General and administrative expenses	**(1,856,745)**	(2,626,482)	**(265,559)**	(177,428)	**(1,609,214)**	(1,149,675)	**(1,454,171)**	(1,046,016)	**(5,185,689)**	(4,999,601)
Finance costs	-	(656,679)	-	-	**(177,366)**	(84,642)	**(101,608)**	(64,358)	**(278,974)**	(805,679)
Provision charge for impairment of receivables - net	-	-	-	-	**(9,290)**	(20,946)	-	-	**(9,290)**	(20,946)
Profit for the year before provision for taxation and directors' remuneration	**33,262,583**	41,283,846	**1,452,006**	930,698	**445,004**	416,622	**434,820**	756,509	**35,594,413**	43,387,675
Assets	**163,994,929**	150,357,290	**12,985,826**	13,043,532	**13,336,271**	9,493,870	**2,439,824**	2,739,764	**192,756,850**	175,634,456
Liabilities	**(10,164,623)**	(10,038,030)	**(71,881)**	(50,192)	**(5,926,296)**	(4,043,366)	**(1,490,126)**	(1,094,641)	**(17,652,926)**	(15,226,229)
Net Assets	**153,830,306**	140,319,260	**12,913,945**	12,993,340	**7,409,975**	5,450,504	**949,698**	1,645,123	**175,103,924**	160,408,227

Notes to the consolidated financial statements (continued)

29 Segment analysis (continued)

Geographical Segments
The geographical segments are as follows:

	Profit for the year before provision for taxation and directors' remuneration		Assets		Liabilities	
	31 Dec 2025 KD	31 Dec 2024 KD	**31 Dec 2025 KD**	31 Dec 2024 KD	**31 Dec 2025 KD**	31 Dec 2024 KD
Domestic and GCC	**2,237,155**	4,675,171	**74,882,938**	70,287,507	**15,980,653**	11,158,234
Others	**33,357,258**	38,712,504	**117,873,912**	105,346,949	**1,672,273**	4,067,995
	35,594,413	43,387,675	**192,756,850**	175,634,456	**17,652,926**	15,226,229

30 Related party transactions
Related parties represent the Ultimate Parent Company, associates, directors and key management personnel of the Group, and other related parties such as subsidiaries of the Ultimate Parent Company (fellow subsidiaries), major shareholders and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Key management personnel include board of directors, chief executive officers and principal officers of the Group. Pricing policies and terms of these transactions are approved by the Group's management.

Significant related party balances and transactions included in the consolidated financial statements are as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balances included in consolidated statement of financial position		
Due from related parties (note 15)	**3,590,895**	5,094
Advance payment for purchase of investment (note 15)	**6,455,313**	2,979,375
Due from Ultimate Parent Company	**21,955**	31,420
Due to related parties (note 21)	**310,000**	310,000
Accruals and short-term benefits	**99,289**	110,747
Provision for employees' end of service benefits	**367,752**	354,860

	Year ended. 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Transactions included in consolidated statement of profit or loss		
Fees income	**2,878**	3,109
Key management compensation:		
Salaries and other short-term benefits	**537,862**	587,762
End of service benefits	**29,367**	28,910
	567,229	616,672

Notes to the consolidated financial statements (continued)

31 Summary of financial assets and liabilities by category and fair value measurement

31.1 Categories of financial assets and liabilities

The carrying amounts of the Group's financial assets and liabilities as stated in the consolidated statement of financial position may also be categorized as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Financial assets		
At amortised cost:		
Cash and cash equivalents	**18,348,004**	22,753,083
Accounts receivable and other assets (note 15)	**9,631,483**	3,958,761
At fair value:		
Investments at fair value through profit or loss	**13,301,634**	15,580,222
Investments at fair value through other comprehensive income	**13,008,643**	10,687,810
Total financial assets	**54,289,764**	52,979,876
Financial liabilities		
At amortised cost:		
Due to banks	**1,756,456**	1,937,486
Accounts payable and other liabilities	**13,661,940**	11,224,070
Lease liabilities	**758,901**	844,951
Total financial liabilities	**16,177,297**	14,006,507

31.2 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 such as investments at fair value though profit or loss and investments at fair value through other comprehensive income and measurement details are disclosed in note 31.3 to the consolidated financial statements. 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.

The Group also measures non-financial assets such as investment properties at fair value at each annual reporting date (refer 31.4).

31.3 Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: 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); and
Level 3: Inputs for assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

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

Notes to the consolidated financial statements (continued)

31 Summary of financial assets and liabilities by category and fair value measurement (continued)

31.3 Fair value hierarchy (continued)

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

	Notes	Level 1	Level 2	Level 3	Total
		KD	KD	KD	KD
31 December 2025					
Financial assets:					
Investments at fair value through profit or loss					
Quoted securities	a	10,583,622	-	-	10,583,622
Unquoted securities	b	-	2,718,012	-	2,718,012
Investments at fair value through other comprehensive income					
Quoted securities	a	10,647,950	-	-	10,647,950
Unquoted securities	b	-	841,108	1,517,213	2,358,321
Foreign funds	d	-	2,372	-	2,372
		21,231,572	3,561,492	1,517,213	26,310,277
31 December 2024					
Financial assets:					
Investments at fair value through profit or loss					
Quoted securities	a	9,440,295	-	-	9,440,295
Foreign funds	d	-	6,139,927	-	6,139,927
Investments at fair value through other comprehensive income					
Quoted securities	a	7,921,172	-	-	7,921,172
Unquoted securities	b	-	799,428	1,555,751	2,355,179
Debt securities	c	-	409,062	-	409,062
Foreign funds	d	-	2,397	-	2,397
		17,361,467	7,350,814	1,555,751	26,268,032

The methods and valuation techniques used for the purpose of measuring fair values, are unchanged compared to the previous year.

Measurement at fair value

The Group's valuation team performs valuations of financial instruments for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The methods and valuation techniques used for the purpose of measuring fair value are as follows:

a) Quoted securities

Quoted securities represent all listed equity securities which are publicly traded in stock exchanges. Where quoted prices in an active market are available, the fair value of such investments have been determined by reference to their quoted bid prices at the reporting date (Level 1) and if the market for an investment is not active, the Group has established fair value by using valuation techniques.

Notes to the consolidated financial statements (continued)

31 Summary of financial assets and liabilities by category and fair value measurement (continued)

31.3 Fair value hierarchy (continued)

Measurement at fair value (continued)

b) Unquoted securities
The consolidated financial statements include holdings in unlisted securities which are measured at fair value. Fair value is estimated using a discounted cash flow model or observable market prices or other valuation technique which includes some assumptions that are not supportable by observable market prices or rates.

c) Debt securities
The consolidated financial statements include holdings in unlisted debt securities which are measured at fair value. Fair value of such investments have been determined by reference to their observable prices, other than quoted, at the reporting date.

d) Foreign funds
The underlying investments of foreign funds primarily comprise of foreign quoted and unquoted securities. Information for these investments is limited to periodic financial reports provided by the investment managers. These investments are carried at net asset values reported by the investment managers. Due to the nature of these investments, the net asset values reported by the investment managers represent the best estimate of fair values available for these investments.

Level 3 Fair value measurements
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:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balance at the beginning of the year	**1,555,751**	1,643,914
Disposals	**-**	(28,750)
Changes in fair value	**(38,538)**	(59,413)
Balance at the end of the year	**1,517,213**	1,555,751

Information about the sensitivity of the fair values measurement to changes in the most significant unobservable inputs are as follows:

The fair values are estimated using net assets values of the underlined investments and applying a discount of 20% - 35% (2024: 20% - 35%) for lack of marketability. Discount for lack of marketability represents the amounts that the Group has determined that market participants would consider these discounts when pricing the investments.

The impact on other comprehensive income would be immaterial if the relevant risk variable used to fair value the level 3 investments were changed by 5%.

Notes to the consolidated financial statements (continued)

31 Summary of financial assets and liabilities by category and fair value measurement (continued)

31.4 Fair value measurement of non-financial assets

The Group's non-financial assets measured at fair value consist of investment properties. All investment properties are categorized as level 3 under the fair value hierarchy on a recurring basis at 31 December 2025 and 31 December 2024. The following table shows the information regarding the level 3 fair value measurements of investment properties:

Description and Valuation technique	Significant unobservable inputs	Range of unobservable inputs 2025	2024
Income Approach			
Buildings in Kuwait, UAE and UK	Average monthly rent (per sqm)	**KD1.78 - KD20.11**	KD1.09 - KD18.80
	Average yield rate	**7.4%**	7.4%
Market Approach			
Land in Jordan	Estimated market price for land (per sqm)	**KD41.52**	KD41.90

The fair values of all investment properties have been determined based on valuations obtained from independent and professionally qualified property valuers (two appraisals for local properties, of which one from a local bank, and one appraisal for foreign properties). The significant inputs and assumptions are developed in close consultation with management.

Buildings

The fair values of the buildings that have been determined based on the fair value provided by independent and accredited valuers who have valued the buildings using income approach which capitalises the monthly estimated rental income stream, net of projected operating costs using a discount rate derived from the market yields. When actual rent differs materially from estimated rents, adjustments have been made to the estimated rental value. When using the estimated rental stream approach, adjustments to actual rental are incorporated for factors such as current occupancy levels, the terms of in-place leases, expectations for rentals from future leases and unlicensed rented areas.

Land

The fair values of the plots of land that have been determined based on fair values provided by an independent and accredited valuers who has valued the land using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location, encumbrances and current use.

Level 3 Fair value measurements

The Group measurement of investment properties classified in level 3 uses valuation techniques inputs that are not based on observable market data. The movement in the investment properties is disclosed in Note 19.

32 Risk management objectives and policies

The Group's principal financial liabilities comprise of due to banks, lease liabilities and accounts payable and other liabilities. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as accounts receivable and other assets, cash and bank balances, short term deposits and investment securities which arise directly from operations.

Notes to the consolidated financial statements (continued)

32 Risk management objectives and policies (continued)

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Parent Company's Board of Directors sets out policies for managing each of these risks as discussed below.

The Group does not use derivative financial instruments.

32.1 Market risk

The significant financial risks to which the Group is exposed to are described below:

a) Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group mainly operates in the Middle East and few Asians countries and is exposed to foreign currency risk arising from various foreign currency exposures, primarily with respect to US Dollar, Saudi Riyal and UAE Dirham. The consolidated statement of financial position can be affected by the movement in these currencies. To mitigate the Group's exposure to foreign currency risk, non-Kuwaiti Dinar cash flows are monitored.

Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within twelve months) from longer-term cash flows. Foreign currency risk is managed on the basis of limits determined by the Parent Company's board of directors and a continuous assessment of the Groups' open positions.

The Group's significant net exposure to foreign currency denominated monetary assets less monetary liabilities at the reporting date, translated into Kuwaiti Dinars at the closing rates are as follows:

	31 Dec 2025 ***Equivalent KD***	31 Dec. 2024 *Equivalent KD*
US Dollar	**3,364,358**	10,423,073
Saudi Riyal	**58,609**	259,785
UAE Dirham	**240,754**	496,685

Exposures to foreign exchange rates vary during the year depending on the volume and nature of the transactions. Nonetheless, a reasonable possible change in exchanges rates of the foreign currencies noted above would not have a significant impact on the Group's consolidated statement of profit or loss.

b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group is exposed to interest rate risk with respect to due to banks which is at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate short term deposits and borrowings.

Positions are monitored regularly to ensure positions are maintained within established limits.

Notes to the consolidated financial statements (continued)

32 Risk management objectives and policies (continued)

32.1 Market risk (continued)

b) Interest rate risk (continued)

The Group's interest rate risk sensitivity position, based on the contractual re-pricing or maturity dates of assets and liabilities, whichever dates are earlier.

The Group does not have any off-balance sheet financial instruments which are used to manage the interest rate risk. The following table illustrates the sensitivity of the interest-bearing financial instruments on the profit for the year to a reasonable possible change in interest rates with effect from the beginning of the year.

Based on observation of current market conditions it has been assumed that a reasonable possible change in the interest rates would be +50 and -50 basis points for interest rates for the current year (2024: +50 and -50 for basis point). The calculation is based on the Group's financial instruments held at reporting date. All other variables are held constant. There is no other direct impact on Group's equity.

	Increase in interest rates		Decrease in interest rates	
	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD	**Year ended 31 Dec. 2025 KD**	Year ended 31 Dec. 2024 KD
Profit for the year	**15,548**	46,747	**(15,548)**	(46,747)

c) Price risk

This is a risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity price risk with respect to its equity investments.

Equity investments are classified either as investments carried at fair value through profit or loss or investments at fair value through other comprehensive income.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The price risk sensitivity is determined at the rate of 10% on the exposure to equity price risks at the reporting date. If equity prices had been higher by 10%, the effect on the profit for the year and equity for the year ended 31 December would have been as follows, with all other variables held constant:

A positive number below indicates an increase in profit for the year/equity, where the equity prices increase by the above-mentioned percentages.

	Profit for the year		Equity	
	31 Dec. 2025 KD	31 Dec. 2024 KD	**31 Dec. 2025 KD**	31 Dec. 2024 KD
Investments at FVTPL	**1,330,163**	1,558,022	**-**	-
Investments at FVTOCI	**-**	-	**1,300,864**	1,068,781
	1,330,163	1,558,022	**1,300,864**	1,068,781

Notes to the consolidated financial statements (continued)

32 Risk management objectives and policies (continued)

32.1 Market risk (continued)

c) Price risk (continued)

If there was a negative change in equity prices in accordance with the above-mentioned equity price risk sensitivity assumptions (10%), there would be an equal and opposite impact on the profit and other comprehensive income for the year, and the balances shown above would be negative.

32.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's credit policy and exposure to credit risk is monitored on an ongoing basis. The Group seeks to avoid undue concentrations of risks with individuals or groups of customers in specific locations or business through diversification of its activities.

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, as summarized below:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Cash and cash equivalents	**18,344,880**	22,749,695
Accounts receivable and other assets (note 15)	**9,631,483**	3,958,761
Investments at FVTPL	**4,541,498**	7,193,722
Investments at FVTOCI	**2,068**	411,148
	32,519,929	34,313,326

The Group continuously monitors defaults of customers and other counterparty, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties. The Group's management considers that all the above financial assets that are neither past due nor impaired, review are of good credit quality.

None of the Group's financial assets are secured by collateral or other credit enhancements.

In respect of receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty. The credit risk for bank balances and amounts due from related parties is considered negligible, since the counterparties are reputable financial institutions/entities with high credit quality.

32.3 Concentration of financial assets

The distribution of financial assets by geographic region is as follows:

	Kuwait KD	Middle East KD	Asia & Africa KD	Europe & USA KD	Total KD
At 31 December 2025					
Cash and cash equivalents	**17,660,244**	**614,922**	**29,233**	**43,605**	**18,348,004**
Investments at FVTPL	**7,859,705**	**5,134,746**	**101,766**	**205,417**	**13,301,634**
Accounts receivable and other assets	**9,125,323**	**489,557**	**16,089**	**514**	**9,631,483**
Investments at FVTOCI	**11,906,140**	**7,780**	**841,719**	**253,004**	**13,008,643**
	46,551,412	**6,247,005**	**988,807**	**502,540**	**54,289,764**

Notes to the consolidated financial statements (continued)

32 Risk management objectives and policies (continued)

32.3 Concentration of financial assets (continued)

	Kuwait KD	Middle East KD	Asia & Africa KD	Europe & USA KD	Total KD
At 31 December 2024					
Cash and cash equivalents	21,982,451	728,855	14,288	27,489	22,753,083
Investments at FVTPL	8,364,305	7,100,047	69,877	45,993	15,580,222
Accounts receivable and other assets	3,733,279	222,546	1,356	1,580	3,958,761
Investments at FVTOCI	9,655,925	12,271	800,044	219,570	10,687,810
	43,735,960	8,063,719	885,565	294,632	52,979,876

32.4 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a daily basis.

The table below summarises the maturity profile of the Group's assets and liabilities. Except for investments carried at fair value through profit or loss and fair value through other comprehensive income investments, the maturities of assets and liabilities have been determined on the basis of the remaining period from the reporting date to the contractual maturity date. The maturity profile for investments carried at fair value through profit or loss, fair value through other comprehensive income and investment properties is determined based on management's estimate of liquidation of those investments.

Maturity profile of assets and liabilities are as follows:

	Within 1 year KD	Over 1 year KD	Total KD
At 31 December 2025			
ASSETS			
Cash and cash equivalents	18,348,004	-	18,348,004
Investments at FVTPL	13,301,634	-	13,301,634
Accounts receivable and other assets	16,850,220	-	16,850,220
Inventories	1,198,260	-	1,198,260
Trading properties	1,402,236	-	1,402,236
Investments at FVTOCI	-	13,008,643	13,008,643
Investment in associates	-	111,415,609	111,415,609
Investment properties	-	11,803,421	11,803,421
Property and equipment	-	2,821,183	2,821,183
Right of use of assets	-	578,362	578,362
Goodwill	-	2,029,278	2,029,278
	51,100,354	141,656,496	192,756,850
LIABILITIES			
Due to banks	1,756,456	-	1,756,456
Accounts payable and other liabilities	13,661,940	-	13,661,940
Lease liabilities	127,142	631,759	758,901
Provision for employees' end of service benefits	-	1,475,629	1,475,629
	15,545,538	2,107,388	17,652,926

Notes to the consolidated financial statements (continued)

32 Risk management objectives and policies (continued)

32.4 Liquidity risk (continued)

	Within 1 year KD	Over 1 year KD	Total KD
At 31 December 2024			
ASSETS			
Cash and cash equivalents	22,753,083	-	22,753,083
Investments at FVTPL	15,580,222	-	15,580,222
Accounts receivable and other assets	7,822,852	-	7,822,852
Inventories	777,810	-	777,810
Investments at FVTOCI	-	10,687,810	10,687,810
Investment in associate	-	101,341,490	101,341,490
Investment properties	-	12,754,717	12,754,717
Property and equipment	-	1,102,733	1,102,733
Right of use of assets	-	784,461	784,461
Goodwill	-	2,029,278	2,029,278
	46,933,967	128,700,489	175,634,456
LIABILITIES			
Due to banks	1,937,486	-	1,937,486
Accounts payable and other liabilities	11,224,070	-	11,224,070
Lease liabilities	121,007	723,944	844,951
Provision for employees' end of service benefits	-	1,219,722	1,219,722
	13,282,563	1,943,666	15,226,229

The contractual maturity of financial liabilities based on undiscounted cash flows is as follows:

	Up to 1 month KD	1-3 months KD	3-12 months KD	1-5 Years KD	Total KD
31 December 2025					
Financial liabilities					
Due to banks	**970,296**	**484,531**	**343,279**	**-**	**1,798,106**
Accounts payable and other liabilities	**-**	**-**	**13,661,940**	**-**	**13,661,940**
Lease liabilities	**16,541**	**16,541**	**33,082**	**791,690**	**857,854**
	986,837	**501,072**	**14,038,301**	**791,690**	**16,317,900**
31 December 2024					
Financial liabilities					
Due to banks	-	41,510	2,066,272	-	2,107,782
Accounts payable and other liabilities	-	-	11,224,070	-	11,224,070
Lease liabilities	94,303	16,541	117,309	971,923	1,200,076
	94,303	58,051	13,407,651	971,923	14,531,928

Notes to the consolidated financial statements (continued)

33 Capital risk management

The Group's capital risk management objectives are to ensure that the Group maintains a strong credit rating and healthy ratios in order to support its business and maximise shareholder value.

The Group manages the capital structure and makes adjustments in the light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, buy back shares, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of the following:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Cash and cash equivalents (note 13)	**(15,982,855)**	(20,210,597)
Net debt	**(15,982,855)**	(20,210,597)
Total equity	**175,103,924**	160,408,227

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Net debt	**(15,982,855)**	(20,210,597)
Total equity	**175,103,924**	160,408,227
Net debt to total equity ratio	**(9%)**	(13%)

34 Fiduciary assets

The Group manages mutual funds and portfolios on behalf of its Ultimate Parent Company, other related parties, and outsiders, and maintains securities in fiduciary accounts which are not reflected in the consolidated statement of financial position. Assets under management at 31 December 2025 amounted to KD18,104,712 (31 December 2024: KD18,340,751) of which assets managed on behalf of its Ultimate Parent Company and other related parties amounted to KD18,070,359 (31 December 2024: KD18,301,714).

35 Contingent liabilities and capital commitments

Contingent liabilities and capital commitments at the financial position date are as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Issued letters of guarantee	**5,979,950**	5,437,427
Commitments on purchase of investment (note 15.1)	**3,475,938**	6,951,875
Capital commitments on purchase of investment	**2,660,050**	6,000,000
	12,115,938	18,389,302

Notes to the consolidated financial statements (continued)

36 Legal Cases

36.1 In prior years, one of the Group's associates, Excellent Choice General Trading and Contracting Co. – WLL ("ECC"), had filed lawsuits against a local bank ("Bank") claiming return of the ownership of 33,544,500 shares of Boubyan Bank, which were transferred by the Bank through a sale contract, plus any cash or in-kind dividends and other benefits related to those shares.

During 2023, the lawsuits relating to the shares were finally decided by the Court of Cessation in favour of ECC. Accordingly, ECC obtained full rights over the transferred shares of Boubyan Bank totaling 50,504,513 share.

In previous years, ECC filed a lawsuit against the legal representative of the Kuwait Clearing Company and others regarding the disbursement of dividends from previous years pertaining to the above shares of Boubyan Bank for an amount of KD1,354,064, which were held by the Kuwait Clearing Company. The court of first-instance ruling was issued on 24 October 2023 in favor of ECC, obliging the defendant to pay the amount of these dividends to ECC. On 18 April 2024, the Court of Appeal upheld the mentioned ruling issued in favor of ECC. Later during 2024, ECC collected an amount of KD1,368,259 from the defendants.

Furthermore, on 11 March 2025, the Court of the First Instance ruled in favour of ECC obligating the Bank to return to ECC the bonus shares totaling 5,176,713 shares of Boubyan Bank (being share dividends attributable to the above-mentioned shares for the years 2020 and 2021) or its equivalent in value at the date of distribution along with legal interest until 18 February 2024 totaling an amount of KD4,646,828 plus interest at 7% from date of ruling until full settlement. Furthermore, the issued ruling obliges the Kuwait Clearing Company to disburse and deliver to ECC an amount of KD265,149 which representing the disbursement of cash dividends pertaining to the above-mentioned shares of Boubyan Bank for the years 2020 and 2021. However, the said ruling has been appealed before court of appeal, which referred the case to an expert. As of the date of issuance of these consolidated financial statements, a final ruling has not yet been issued.

The Group will recognize its share of the amount on collection from the defendants.

36.2 In 2011, one of the Group's subsidiaries ("Noor Jordan"), sold its full ownership in one of its Jordanian subsidiaries to nine individuals. Following the sale, the buyers filed a lawsuit alleging that the asset valuation had been misrepresented. On 5 December 2023, the Amman Court of Appeal ruled against Noor Jordan, ordering it and its representatives to pay an amount equivalent of KD1,188,286.

As a result, the Group recorded a provision of KD2,376,572 in its consolidated financial statements for the year ended 31 December 2023, which represented the judgment amount plus the legal interest.

Noor Jordan contested the decision at the Court of Cassation, which accepted the appeal in January 2024 and returned the case to the Court of Appeal. On 23 June 2024, the Court of Appeal ruled in favor of Noor Jordan, clearing all charges. Accordingly, the Group reversed the previously recognised provision in its consolidated financial statements for the year ended 31 December 2024.

37 Comparative amounts

Certain comparative amounts have been reclassified to conform to the presentation in the current year. Such reclassification does not affect previously reported net assets, net equity, net results for the year or net increase in cash and cash equivalents.