

ANNUAL REPORT
2025

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



His Highness
Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah
Amir of the State of Kuwait



His Highness
Sheikh Sabah Al Khalid Al Hamad AL Sabah
Crown Prince of the State of Kuwait



His Highness
Sheikh Ahmad Al Abdullah Al Ahmad Al Sabah
Prime Minister



Table of Contents

Board of Directors	5
Executive Management	6
Chairman’s Message	8
Achievements & Projects of the Company	10
Governance Report	22
Related Party Transactions Report	74
The Ordinary General Assembly Agenda	75
Financial Indicators	76
Financial Statement	78



Board of Directors



Abdulfatah M. R. Marafie
Chairman



Adwan M. Aladwani
Vice Chairman



Eng. Ibrahim M. Alghanim
Board Member



Eng. Abdulmutaleb A.M. Marafie
Board Member



Talal J. Albahar
Board Member



Yousef Y. Alawadhi
Board Member



Feras Fahad Albahar
Board Member



Husam A. Albassam
Board Member

Executive Management

1	Eng. Abdulmutaleb A.M. Marafie	Chief Executive Officer (CEO)
2	Saleh Ahmad Aryan	CEO - HR & Legal Affairs Group
3	Eng. Yousef Ghazi Al-Saqabi	CEO - Technical Affairs Group
4	Mohammad Haider Ghadhanfari	Deputy CEO - HR & Legal Affairs Group
5	Fuad Hasan Zarour	Accounting Department Manager
6	Walid Youssef Wizani	Finance & Strategic Planning Department Manager

Duties, Responsibilities Authority and achievements of the Executive Management

The following are some of the tasks and responsibilities of the Executive Management that must be adhered to, in light of the powers and authorities delegated to it by the Board of Directors.

1. Providing recommendations regarding the strategy followed for the purpose of improvement and development through well-thought-out plans.
2. Implementing the company's strategic plans and related internal policies and ensuring their adequacy and effectiveness.
3. Full responsibility for the company's overall performance and business results by establishing a management structure that promotes accountability and transparency.
4. Providing the necessary information and reports in a timely, accurate, and comprehensive manner.
5. Providing periodic financial and operational reports on the performance of departments regarding the progress made in the company's activities in light of the strategic plans and objectives, to be presented to the Board of Directors.
6. Establishing an integrated accounting system that maintains books, records, and accounts that accurately reflect the company's financial statements and income statements, enabling the preservation of the company's assets and preparation of the financial statements in accordance with the international accounting standards approved by the Authority.
7. Submitting proposals and reports on the powers and authorities granted to the Executive Management.
8. Following up on the implementation of the powers and responsibilities granted in accordance with the approved authority matrix.
9. Developing, amending, and updating policies and procedures, discussing and approving them by the Board of Directors, and working towards their implementation.
10. Establishing internal control and risk management systems, ensuring the effectiveness and adequacy of these systems, and ensuring compliance with the risk appetite approved by the Board of Directors.
11. Managing all activities, human resources, and financial resources effectively; to maximize profits, minimize expenses, and achieve the company's objectives and strategy.
12. Participating actively in building and developing a culture of ethical values within the company.
13. Supervising and following up to ensure the implementation of applicable laws, regulations, and policies, including the governance manual, by employees in achieving the company's strategy, in addition to submitting reports containing recommendations regarding obstacles and required amendments based on implementation results.

During 2025, the Executive Management fulfilled its duties and responsibilities in accordance with powers thereof.



Chairman's Message

**May the peace, Blessings, and Mercy of Allah be upon you
Dear Valued Shareholders,**

It gives me great pleasure, for myself and on behalf of members of the Board of Directors, to welcome you to the annual meeting of the General Assembly, and begin our meeting by thanking Allah, the Almighty, and I would like to express my sincere thanks and gratitude for your trust and your continuous support, which represents the key motivation to exert maximum effort to achieve the company's goals.

Moreover, it is my pleasure, along with my fellow members of the Board of Directors, to present to you the Commercial Real Estate Company's annual report on the consolidated financial statements for the fiscal year ending December 31, 2025. This report provides a clear picture of the company's performance and financial position, highlighting key achievements during the year that reflect the efforts made to improve performance and achieve the desired objectives to ensure the best interests of our shareholders.

The company's financial results for the year yielded net profits of KD 16,314,480 (Sixteen million, three hundred and fourteen thousand, four hundred and eighty Kuwaiti dinars only), representing a growth of 4.6%. Earnings per share reached 9.01 Fils, reflecting a 6% growth. Return on equity was 5.4%, a 3.4% growth. Return on consolidated profits to total assets was 3.1%, a 1.3% growth, and return on paid-up capital was 8.6%, a 1.6% growth compared to 2024.

The results also showed stable net income from operating activities, supported by high occupancy rates and stable income from associates. However, profits from investments decreased due to a decline in the valuation gains of some investments. On the other hand, the valuation gains from investment properties increased compared to the previous year.

Based on these results, the Board of Directors recommended a cash dividend of 3% of the nominal share value and a stock dividend. A 3% bonus share distribution. It is worth noting that the Board of Directors' recommendations regarding profit distribution were based on well-considered principles and methodology, in accordance with the company's future vision and operating revenues, with the aim of creating added value for shareholders.

Dear Shareholders,

The Commercial Real Estate Company has continued to pursue its performance enhancement plan through its strategies, which are continuously monitored, reviewed, and developed to align with growth trends and developments in surrounding markets. This is done while maintaining a conservative approach and carefully assessing risks considering the unstable geopolitical situation.

We continue to implement our projects and investment plans, which are subject to ongoing management oversight. We always strive to ensure that the company's investments and projects, whether those still under progress or future projects, meet your aspirations and expectations, achieving continuous growth rates, enhancing profit margins, managing cash flows, and achieving optimal returns on invested capital while delivering quality and value.

Locally, Al-Tijaria continues to pursue available opportunities and strives to win partnership projects that are periodically offered by the state and that align with its strategy. In this regard, Al-Tijaria signed a memorandum of understanding with the Chinese state-owned Limited Company for Construction Engineering (CSCEC), one of the largest construction and engineering companies in the world, aiming for joint cooperation on a number of strategic development projects offered by government entities in the State of Kuwait. During the year 2025, one of Al-Tijaria's subsidiaries signed a partnership agreement with the Public Authority for Housing Welfare to develop an investment project for a period of 22 years on a total area of 12,575 square meters in the Al-Qirawan area (Q1) in Kuwait. The project includes a commercial complex, a health club, and public parking, under the design of development, financing, operation, management, and maintenance system.

Regionally and internationally, Al-Tijaria continues to strengthen its strategic partnerships with developers and strategic investors through the acquisition, development, and operation of properties, and by seeking to seize investment opportunities while maintaining the cautious policy that has always been one of the cornerstones of the Board of Directors' strategies, especially in light of the current geopolitical instability. Additionally, it seeks to maintain the diversity of the real estate and investment portfolio in terms of size, nature, and geographical distribution, and to create sustainable growth in returns. In this context, Al-Tijaria signed a strategic partnership agreement with an investment manager in the Kingdom of Saudi Arabia, where Al-Tijaria assumes the role of technical advisor for one of the logistics funds in Saudi Arabia and the Gulf Cooperation Council (GCC) countries.

Al Tijaria continues to strengthen its vital role in the field of social responsibility and remains committed to effectively implementing governance principles. In this spirit, it is keen to launch and organize impactful initiatives that serve the community and promote the values of giving back under the slogan "We Care." These initiatives included organizing the "Arabic is My Language" event at Symphony Mall, holding blood donation drives, and organizing a "Beach Cleanup" campaign to celebrate World Cleanup Day at Kuwait Towers Beach. Other initiatives included the "Plant a Tree in My Country" Campaign at Salmiya Boulevard, and the "Shining of Hope 10" festival and "Shining of Hope Art Exhibition" to support the empowerment and inclusion of people with disabilities. Al Tijaria also continues to support youth empowerment and promote sustainable development by sponsoring the "Most Sustainable Product or Service" award under the "Company" program and participating in the job fair organized by INJAZ Kuwait. Additionally, the company supports graduation projects for engineering students at Kuwait University. These initiatives, along with numerous other humanitarian projects, underscore the company's commitment to creating a lasting social impact.

Dear Shareholders,

I would like to express my sincere gratitude to all stakeholders, shareholders, and investors for their continued support of our ongoing efforts to strengthen Al Tijaria's leading position in the real estate sector. My thanks also extend to the members of the Board of Directors, the Executive Management, and all employees for their dedication and valuable contributions to achieving our vision and goals during the year. As always, Al Tijaria's open-door policy remains a core principle, accompanied by transparency in the dissemination of information.

We ask Allah, the Almighty, to protect Kuwait and its people from all harm under the leadership of His Highness the Amir Sheikh/ Mishal Al-Ahmad Al-Jaber Al-Sabah, and His Highness Sheikh/ Sabah Al Khalid Al Hamad Al-jaber Al-Sabah, Crown Prince of the State of Kuwait, may Allah protect and keep them safe.



Abdulfatah M. R. H. Marafie
Chairman of the Board

Company's Achievements and Projects:



Al-Tijaria Tower (Offices - Mall)

Al-Tijaria Tower is considered one of the most important projects of Al-Tijaria Real Estate Company. It is a distinguished real estate edifice that combines modern architecture and the first of its kind in the State of Kuwait. It consists of (36) floors for offices in addition to (4) floors for commercial shops. Al-Tijaria Tower is strategically located in the heart of the Capital, Kuwait City, with a beautiful view of Al-Shaheed Park.



Symphony Style (Hotel - Offices – Mall- Car Parking)

The Symphony project is one of the most prominent commercial developments in Kuwait. Symphony Style comprises three parts: the first is a 10-story office tower; the second is the Symphony Style Mall, featuring retail shops spread across three floors, including over 47 uniquely designed shops by small business owners under the "Lobby" banner; and the third part is the Symphony Style Hotel Kuwait. Symphony's multi-level parking facility offers a smart and convenient ticketless experience, with 185 parking spaces, including designated spaces for people with disabilities and two electric vehicle charging stations, all designed with a modern layout that promotes smooth flow and efficient use.



Light Restaurants

The Light project is located in the most important intersections of the Coastal Road in (Abu Halifa) Area, contains (11) units and it houses a selection of the finest local and international restaurants, which in turn attract many families and young people.



Dine Zone

"Dine Zone" consists of (26) villas with a calm and charming atmosphere and directly overlooking to the sea. "Dine Zone Restaurants" expresses a distinctive concept of restaurants and cafes.



Dome Mall

The project is located on the Coastal Strip in (Abu Halifa) and consists of a ground floor and a basement. It includes, entertainment areas, restaurants, cafes & water fountain in the central area. The Dome Complex is an ideal destination for families, featuring recreational areas and several restaurants.



Al Bedour Tower

Al-Bedour Tower is a prominent real estate project in the Sharq Area of Kuwait City. It boasts a strategic location on Ahmed Al-Jaber Street. It consists of 18 floors, with each floor measuring approximately 160 square meters, providing an excellent working environment for various commercial activities and offices. The tower also includes retail shops on the ground floor.



AL Shorouq Tower (1, 2 & 3)

It consists of two interconnected towers. The Two Towers were designed in a modern and contemporary style to meet commercial needs; each tower consists of 21 floors, with a floor area of 175 and 193 square meters per floor. Al Shorouq Tower (3) differs from the other two towers in that the largest portion of the tower is dedicated to the headquarters of the commercial real estate company.



Thatcher Apartment Complex

The Thatcher project is located in (Mahboula) Area, it consists of furnished apartments with a hotel system where all distinguished services are available. The project contains three partially connected towers, each consisting of (16) floors, containing (77) apartments, including apartments consisting of two and three bedrooms, duplex apartments, (6) separated villas and a commercial store.



Juman Residential Complex

Juman Residential Complex is one of Al-Tijaria Real Estate architectural innovations. It is a real estate edifice designed with a smart building system and is located in (Mahboula) Area. The complex consists of two residential towers, each consisting of (12) floors, in addition to parking lots and (3) commercial shops. The complex is characterized by a variety of residential apartments of different sizes, including apartments consisting of one, two and three bedrooms, duplexes (Penthouse) apartments, in addition to Townhouses consisting of (3) floors, and each Villas has a distinctive balcony.



Al Manar Complex

A luxury residential complex with a sea view on the Arabian Gulf Street. Al Manar Complex has 16 floors, each floor containing 5 residential apartments. And 6 separated villas and a commercial store. The complex includes a swimming pool, gym, tennis court, squash court, internet, TV channels, semi-furnished apartments, children's area, 24/7 security, office and parking in the basement.



Lothan Complex

A residential complex located in Salmiya, Hamoud Zaid Al-Khaled Street. It consists of a single building consisting of (9) floors, each containing four apartments with one-bedroom, except for the first floor, which houses a medical clinic. The building also includes a swimming pool and gym.



Shawafat Complex

Shawafat Buildings (2 to 7) are located east of Omar Ibn Al Khattab Street and consist of six adjacent properties. They consist of warehouses, a ground floor (commercial), and (7) office for each building.



Abu Halifa Leisure Complex

The Abu Halifa Restaurant Complex is located along the Coastal Road and consists of (13) units leased to prominent international restaurants, which attract many young people and families.



Abu Halifa Villas

It consists of three villas located on the coastal strip in (Mahboula). These villas are fully leased to one of the distinguished and well-known educational centers in the State of Kuwait.



Gulf Plaza Complex

It is a residential complex with a sea view overlooking the Arabian Gulf Street and the Second Ring Road. It consists of a single building consisting of six floors. Each floor contains two three-bedroom apartments, except for the sixth floor, which houses two two-bedroom apartments. It also includes a swimming pool and a gym.



Salwa Building

It is a residential building located in Salwa, Block 4, Street No. 2, Buildings 297 and 298. The design consists of two buildings, each consisting of three floors, with each floor containing two three-bedroom apartments, and basement parking.



ABC Residential Buildings

ABC Buildings is located in (Mahboula) Area. Each building consists of (7) floors, each containing four apartments. Each apartment has an area of (70.6) square meters. 24-hour security is available, along with surveillance cameras in the closed lobby to ensure the highest level of safety for residents. The building also offers spacious parking spaces for all apartments, 24-hour maintenance services, and three retail shops.



Real Estate Trading Company (Al Rehab Complex) - A Subsidiary Company

Al-Rehab Complex is one of the largest complexes in the Hawalli area. It consists of 13 floors, combining various shops and offices, and private parking. It comprises (551) units, including commercial offices and shops. Al-Rehab Complex is considered the first residential and commercial complex in Kuwait and represents the era of urban modernity in Kuwait, as it was one of the first complexes constructed to high standards.



Salmiya Group for Project Development Company (Boulevard) - A Subsidiary Company

It is located in the heart of the vibrant Salmiya district, the Boulevard Project spans over 353,529 square meters, making it easily accessible from various directions, primarily from the Fifth Ring Road and Arabian Gulf Street. The Boulevard is the largest tourist hub in Kuwait, encompassing an amazing array of cultural, sporting, and entertainment activities for the entire family.



Edara (Management of Third Party Property)

“Edara” is the strategic business unit of the commercial company responsible for providing real estate management services at the highest levels to meet the needs of the market and provide real estate services for all types of real estate, whether residential, commercial, or investment. “Edara” business is launched according to the highest standards, and a highly qualified team in the field of real estate management is keen on this. It is distinguished by providing first-class real estate advisory services through the experiences that the company has acquired over more than 15 years of success, good knowledge of the market and preceded by unparalleled know-how. “Edara” is also keen to help clients achieve the highest value for their real estate assets and reduce risks to the lowest level.

Al-Tijaria aspires through “Edara” to create an added value for real estate and property owners in the State of Kuwait for everyone who desires to obtain comfort, safety and responsibility in the follow-up and management of their properties with accumulated experience and by specialists and dedicate it to their benefit regardless of the size of the real estate portfolio.

Al-Tijaria Real Estate Company’s extensive experience extends over the years in managing its properties and those of third parties of various types, including residential, commercial, office, and recreational.

Among the distinctive properties, that “Edara” received, as part of its activities for managing third-party real estate is “Boulevard Mall, Al Rehab Complex, and several residential properties belonging to (KCRC).



edara إدارة
Let us manage your property دعنا ندير عقارك



Investments (Geographical)



Subsidiaries and Associates

Subsidiaries Companies

State of Kuwait	Al-Mutajara Real Estate Company Al-Salmiya Group for Enterprise Development Company, First Kuwait Front Company for Land and Real Estate Management and Development, Symphony Company for Receiving and Delivering Cloth from Laundry
Kingdom of Bahrain	The Commercial Real Estate Development Company
Kingdom of Morocco	The Commercial Real Estate Development Company
Cayman Islands	Tijaria GD

Associates Companies

State of Kuwait	Kuwait Commercial Market Complex Company, Kuwait Resorts Company, Hajar Tower Real Estate Company, Afkar Holding Company, Jahra Touristic Company Gulf Opportunities Company
Kingdom Saudi Arabia	Bayan Realty Company
Kingdom of Morocco	Mozon Investment Holding Company
The United Arab Emirates	Vacation Club Venture Limited Company
Kingdom of Bahrain	Waves Budaiya Development Company, The Commercial Resorts & Real Estate Development
Cayman Islands	KREC Investment LTD Company



SYMPHONY
TOWER
مركز دبي للتجارة الإلكترونية



Al - Tijaria Real Estate Development Company Subsidiary Company Symphony Tower - Kingdom of Bahrain

Work is underway to complete the construction on Symphony Tower in the Kingdom of Bahrain. The project consists of (46) floors and (351) apartments, in addition to a variety of facilities, making it ideal for those wishing to enjoy the luxury of living and peace of mind at all times. Symphony Tower was awarded the Best Residential Tower Design award at African and Arab Property Awards for its unique and distinctive design. Symphony Tower, built on an area of (3,856) square meters, is located in the downtown of Manama, the Capital of the Kingdom of Bahrain, near the most famous commercial centers and prominent tourist attractions.

All apartments have a charming panoramic view of the sea, and are designed to give a feeling of happiness and luxury. The project provides four main options for customers to choose from, including studio units ranging in size from (39) to (48) square meters, one-bedroom units ranging in size from (70 to 91) square meters, and two- bedroom units ranging in size from (119 to 153) square meters, and the three-bedroom units have an area of (199) square meters. The project includes multiple facilities, including a business center, a café, children's games, a gym for women and another for men, a basketball court, a spa, swimming pools, a Jacuzzi, a designated barbecue area, and a small shop.





بوليفارد
boulevard

Salmiya Group Enterprise Development Company (Boulevard) - Subsidiary Boulevard

Boulevard

Boulevard project is located in the middle of the vibrant area of Salmiya, and extends over more than (353,529) square meters, making it easily accessible from various sides, mainly from the 5th Ring Road and the Arabian Gulf Street. Boulevard is one of the largest tourist hubs in Kuwait, as it includes within its areas an amazing range of cultural, sports, and entertainment events and activities for all the family members.

Boulevard embraces a wide lake and stunning lake through its wide green park, in addition to other facilities, on top of which is Boulevard Complex, which includes a village of first-class restaurants overlooking the lake in addition to a large number of sports spaces and equipped outdoor playgrounds, including tennis, football, basketball and a huge cricket pitch with an amphitheater for the public, a fully equipped ladies' salon and spa in addition to a multi-purpose ballroom as well as (4) train stations and parking for (1,958) cars.

Boulevard Hall

Boulevard Hall is one of Kuwait's most prominent event venues, combining a prime location in the heart of Salmiya with a sophisticated, modern design. The hall boasts comprehensive facilities, including a spacious main hall, elegant foyer, and a meeting room, as well as advanced technological equipment and world-class hospitality services. Over the year, the Hall hosted numerous official events and private functions for major entities, reflecting its position as a leading center for organizing high-end events.

Governance Report

Governance

Al-Tijaria is the first initiative and pioneer company in applying governance standards “Corporate Governance” in the State of Kuwait. The Board of Directors has taken upon itself responsibility of adhering to the standards of governance that were announced at the Ordinary General Assembly for the fiscal year ending on 31/12/2011, through the application of best practices, and a package of policies, procedures and mechanisms. The company’s eight-member Board of Directors has adopted the organizational structure and the governance guide that defines the responsibilities, powers and channels of communication between the different administrative levels, as well as regulating the relationship between each of the shareholders, the board of directors, the executive management and stakeholders.

Also, several committees were formed by the company’s board of directors to follow up on implementation of the best practices. The governance guide clarified the formation, tasks, powers and responsibilities of these committees and their mechanism of work, as well as evaluating committees, executive management and the board of directors, determining shareholders’ rights, setting ethical work charters and organizational policies for the company. The Board of Directors has set the system of financial, administrative and operational powers that defines the powers of the executive management, the committees emanating from the board, and the board of directors itself.

During 2025, Al-Tijaria committed to applying all governance standards in accordance with best practices, and submits relevant reports to the regulatory authorities on the specified dates. The Governance and Sustainability Committee and the Board of Directors also supervised the implementation process through periodic reports submitted to the Committee and the Board. The Board did not detect any deviations on the approved policies and rules or supervisory instructions regarding governance applications.

First Rule - Construct a Balanced Board Composition

Summary about the formation of the Board of Directors

The Board of Directors consists of eight members; their term of membership is three years, based on the meeting of the Ordinary General Assembly held on April 29th, 2024. The Board of Directors is responsible to the general assembly of shareholders; and it is entrusted with the responsibility of protecting the interests of the company, developing its business, achieving its strategy, and devising the company's vision, mission, objectives and general strategy to achieve the shareholders' aspirations. The Board must also work to avoid conflicts of interest, with priority always being in favor of the company. The Board of Directors is committed to forming its committees within the framework of the requirements of the rules of governance, considering the diversity of expertise and specialized skills, which contributes to enhancing efficiency in decision-making. The majority of the company's board of directors consists of non-executive members, and the board includes independent members whose number does not exceed half of the board members, and this independence allows them to take decisions without being subjected to stress or obstacles.

#	Names	Members Classifications/ Secretary	Qualification & Practical Experience	Date of Election/ Appointment of the Secretary
1	Abdulfatah M. R. Marafie	Chairman (Non-executive)	Bachelor of Commerce (Administrative Sciences / Industrial Management) 47 years in the real estate, banking and investment sectors	29th April 2024
2	Adwan M. Aladwani	Vice Chairman (Non-executive)	Bachelor's degree in English Language and Literature 50 years in the real estate, banking and investment sectors	29th April 2024
3	Eng. Ibrahim M. Alghanim	Board Member (Non-executive)	Bachelor of Science in Marine Engineering 47 years in the real estate, hospitality, entertainment, services and oil sectors	29th April 2024
4	Feras Fahad Albahar	Board Member (Independent)	Master of Banking 33 years in the banking and investment sector	29th April 2024
5	Eng. Abdulmutaleb A.M. Marafie	Board Member (Executive)	Master of Business Administration Bachelor of Civil Engineering 26 years in real estate, business development, projects, tourism and hospitality	29th April 2024
6	Husam A. Albassam	Board Member (Independent)	Bachelor of Accounting, 25 years in the field of real estate and financial investment	29th April 2024
7	Talal J. Albahar	Board Member (Non-executive)	Bachelor of Business Administration 20 years in the real estate, investment and hospitality sectors	29th April 2024
8	Yousef Y. AlAwadhi	Board Member (Non-executive)	Bachelor of Business Administration (Accounting) 20 years in the banking, investment, education and real estate sectors	29th April 2024
*	Iman Amin El Mokaddem	Board's Secretary	Bachelor of Business Administration 26 years in the field of office management, executive management secretarial, Committees & Governance	29th April 2024

Dates and attendance of the Board meetings 2025

The Board of Directors held 10 meetings, noting that the Board was formed based on the Ordinary General Assembly meeting (periodic elections) on April 29, 2024 and on October 16, 2024 (elections of a complementary member)

#	Members, Positions & Classification	1	2	3	4	5	6	7	8	9	10	Meeting Attending	Percentage/ Membership	Percentage/ Total
		17th February	17th March	28th April	12th May	29th June	27th July	11th August	17th September	10th November	15th December			
1	Abdulfatah M. R Marafie Chairman of the Board (Non-executive)	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	9	90%	90%
2	Adwan Mohamad Aladwani Vice Chairman of the Board (Non -executive)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	100%	100%
3	Eng. Ebrahim Mohammad Alghanim Board Member (Non -executive)	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	9	90%	90%
4	Firas Fahed Al Baher Board Member (Independent)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	100%	100%
5	Hosam Abdul Rahman Al Bassam Board Member (Independent)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	100%	100%
6	Eng. Abdulmutaleb A. M Marafie Board Member (Executive)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	100%	100%
7	Talal Jassim Al Bahr Board Member (Non -executive)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	100%	100%
8	Yousef Yagoub Al Awadhi Board Member (Non -executive)	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	9	90%	90%
*	Iman Amin El Mokaddem (Board's Secretary)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	100%	100%

Not a Member	-
Attended	✓
Didn't Attend	✗

Coordination of board meetings, recording and keeping minutes of meetings

The Board of Directors is committed to discussing any topics included on the meeting agendas with the utmost transparency, provided that the members are given all information that allows for decision-making, and the decisions taken and all facts, including reservations, are recorded in the minutes of the meeting (if any).

Mrs. Iman Amin El Mokaddem was re-appointed as Secretary of the Board of Directors from among the company's employees in her capacity as the Chairman Office Manager by decision issued by the Board of Directors No. 3/2024 on 29/4/2024, and her job duties were determined in line with the level of responsibilities assigned to her, which include the following:

1. Proper communication and distribution of information among members and other stakeholders, under the supervision of the Chairman.
2. Coordinating and preparing for the meetings of the Board of Directors, including the schedule, agenda, documents and others, and providing the members with them three working days prior to the date of the meeting, taking into account emergency meetings.
3. Writing down and keeping all minutes of the board meetings, records, books, and reports submitted to and from the Board.
4. Signing the minutes of the board meetings by the secretary and all the attending members of the board of directors.



وزارة التجارة و الصناعة

Ministry of commerce and Industry



إقرار عضو مجلس الإدارة المستقل

أقر أنا الموقع أدناه فراس فهد أحمد البحر
بطاقة مدنية (أو جواز سفر لغير المقيم) رقم
والمرشح كعضو مجلس إدارة مستقل لدى شركة
(الشركة التجارية العقارية بم.م.ك.ع.)
بأنه تتوافر لدي الشروط التالية:

- 1- انني اتمتع بالاستقلالية على النحو الوارد في المادة (2-3) من الفصل الثالث من الكتاب الخامس عشر (حوكمة الشركات) من اللائحة التنفيذية للقانون رقم (7) لسنة 2010 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاتها.
- 2- أنه يتوافر لدي المؤهلات والخبرات والمهارات الفنية التي تتناسب مع نشاط الشركة.

الاسم: فراس فهد أحمد البحر

التاريخ: 9/3/2026

التوقيع:



وزارة التجارة و الصناعة

Ministry of commerce and Industry



إقرار عضو مجلس الإدارة المستقل

أقر أنا الموقع أدناه حسام عبدالرحمن محمد البسام
بطاقة مدنية (أو جواز سفر لغير المقيم) رقم
والمرشح كعضو مجلس إدارة مستقل لدى شركة
(الشركة التجارية العقارية س.م.ك.ع.)
بأنه تتوافر لدي الشروط التالية:

- 1- انني اتمتع بالاستقلالية على النحو الوارد في المادة (2-3) من الفصل الثالث من الكتاب الخامس عشر (حوكمة الشركات) من اللائحة التنفيذية للقانون رقم (7) لسنة 2010 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاتها.
- 2- أنه يتوافر لدي المؤهلات والخبرات والمهارات الفنية التي تتناسب مع نشاط الشركة.

الاسم: حسام عبدالرحمن محمد البسام

التاريخ: 9/3/2026

التوقيع:

Second Rule - Establish Appropriate Roles and Responsibilities

Duties and Responsibilities of the Board of Directors

The Board of Directors may perform all duties required to manage the company in accordance with its objectives. This authority is only limited by what is stipulated in the law, the company's articles of association, or the resolutions of the general assembly. The Board may also distribute work among its members according to the nature of the company's business. The Board may also delegate one of its members, a committee of its members, or a third party to perform one or more specific tasks, supervise an aspect of the company's activity, or exercise some of the powers or competencies assigned to the Board. The duties and responsibilities of the Board of Directors include, but are not limited to, the following:

1. Approving the company's important objectives, strategies, plans, and policies, which must include, at a minimum, the following:
 - The company's overall strategy and major business plans, reviewing and directing them.
 - The company's optimal capital structure and financial objectives.
 - A clear policy for distributing various types of dividends (cash/in-kind) in a manner that serves the interests of shareholders and the company.
 - Performance objectives, monitoring implementation, and overall performance within the company.
 - The company's organizational and functional structures and conducting periodic reviews thereof.
2. Approval of annual budget estimates and approval of interim and annual financial statements.
3. Oversight of the company's major capital expenditures, and the ownership and disposal of assets.
4. Ensuring the company's compliance with policies and procedures that ensure the company's compliance with applicable internal regulations and bylaws.
5. Ensuring the accuracy and integrity of data and information to be disclosed, in accordance with applicable disclosure and transparency policies and procedures.
6. Establishing effective communication channels that enable the company's shareholders to be continuously and periodically informed of various aspects of its activities and significant developments.
7. Establishing a governance system, providing general oversight, monitoring its effectiveness, and amending it as necessary.
8. Monitoring the performance of each member of the Board of Directors and Executive Management according to objective key performance indicators (KPIs).
9. Preparing an annual report to be read at the General Assembly, including the requirements and procedures for completing the governance rules and the extent of compliance with them, as well as the rules that have not been complied with, along with the justifications for such non-compliance.
10. Forming specialized committees according to a charter that clarifies the committee's term, powers, responsibilities, and the manner in which the board shall oversee them. The formation decision also includes the appointment of members and the definition of their duties and rights, and their duties, as well as evaluating the performance and work of these committees and their key members.

11. Ensure that the company's approved policies and regulations are transparent and clear, enabling decision-making and achieving the principles of good governance, including the separation of powers and authorities between the Board of Directors and Executive Management. The Board of Directors is responsible for the following:
 - Approving the internal regulations and systems related to the company's operations and development, and the subsequent definition of tasks, competencies, duties, and responsibilities across the various organizational levels.
 - Approving the policy for delegating and implementing the tasks assigned to Executive Management.
12. Determining the powers delegated to Executive Management, the decision-making procedures, and the duration of the delegation. The Board also determines the issues over which it retains the authority to decide. Executive Management submits periodic reports on its exercise of the delegated powers.
13. Overseeing and monitoring the performance of executive management members and ensuring they perform all their duties. The Board is responsible for the following:
 - Ensuring that executive management operates in accordance with the policies and regulations approved by the Board of Directors.
 - Holding periodic meetings with executive management to discuss work progress and any obstacles and problems encountered, as well as reviewing and discussing important information related to the company's activities.
 - Setting performance standards for executive management those are consistent with the company's objectives and strategy.
14. Determining the rewards to be granted to employees, such as fixed and performance-related rewards, and share-based rewards.
15. Appointing or dismissing any member of the executive management, including the CEO and the positions directly reporting to him within the company's organizational structure, ensuring that the required qualifications for members of the Board of Directors are met, and establishing a mechanism for applying the requirements for integrity and financial soundness standards to members of the Board of Directors and Executive Management.
16. Developing a policy regulating the relationship with stakeholders to protect their rights.
17. Establish a mechanism to regulate dealings with related parties to mitigate conflicts of interest.
18. Periodically ensure the effectiveness and adequacy of the internal control systems in place within the company and its subsidiaries, including:
 - Ensuring the integrity of financial and accounting systems, including systems related to financial reporting.
 - Ensuring the implementation of appropriate control systems to measure and manage risks by identifying the scope of risks that the company may face, creating a culture of risk mitigation at the company level, and communicating this transparently to stakeholders and relevant parties.
 - Recommending the appointment of independent auditors.
 - Recommending the appointment of the Sharia Supervisory Board.
 - Approving the company's code of conduct and ethics, as well as its work policies and procedures.
19. Preparing an annual report to be read at the General Assembly, including the requirements and procedures for completing the governance rules and the extent of compliance with them, as well as the rules that have not been complied with, along with the justifications for such non-compliance.
20. Developing a plan/policy to incorporate sustainability factors into the company's overall strategy, key business plans, and risk measurement and management process, if necessary.
21. The Board of Directors is responsible for recommending the date on which the company's shareholders are entitled to cash dividends and bonus shares, as well as determining the date on which they will be distributed.

Board of Directors Achievements

During the year 2025, the Board of Directors accomplished its tasks and responsibilities in accordance with the approved powers. Here is an overview of the most important achievements:

1. Follow up the implementation of the objectives in accordance with the approved strategies and plans of the company.
2. Reviewing and approving the annual report, the governance report, and the governance requirements fulfillment form.
3. Reviewing and approving the interim and annual financial statements.
4. Reviewing and approving the estimated budget and comparing it with the achieved interim results.
5. Reviewing and approving policies, procedures, plans and reports related to the company's business and activities.
6. Recommendation to the Ordinary General Assembly regarding the appointment / re-appointment or change of the external auditor.
7. Follow up on the decisions of the committees emanating from the Board of Directors and the recommendations issued by it, and follow up on implementation thereof.
8. Follow up the reports of the Internal Audit Department and ensure that the relevant committee takes corrective measures and follow up on implementation thereof.
9. Follow up the Risk Management Reports and ensure that the competent committee takes corrective measures and follow up on implementation thereof.
10. Issuing a statement in the event of a conflict between the recommendations of the Audit and Risk Committee and the decisions of the Board of Directors and the reasons that led to the Board's decision not to comply with those recommendations, and that all recommendations issued by the Committee have been reviewed and approved by the Board of Directors.

Formation of Board Committees

1. The Board of Directors shall form specialized committees affiliated with it, in accordance with a charter that specifies the committee's term, powers, responsibilities, and the manner in which the Board shall oversee it. The formation decision shall also include the appointment of members and the definition of their duties, rights, and obligations. This shall also include an evaluation of the performance and work of these committees and their key members.
2. The Board of Directors forms permanent and temporary committees, with the aim of distributing the tasks and activities of the Board of Directors among the Board members and the executive management, providing sufficient time for detailed deliberations of all aspects of the work, and supporting the Board to carry out some specific tasks on its behalf, and to submit periodic reports and recommendations.
3. Committee members are appointed by the board, and a sufficient number of non-executive board members are appointed to the relevant committees, in addition to independent members, in accordance with best practices and regulations in this regard. Each committee shall have its own charter that defines the purpose of the committee as well as the qualifications necessary for committee membership.
4. The formation of the committees of the board of directors shall be in accordance with general procedures set by the board of directors, which include determining the committee's mission, the duration of its work, the powers granted to it during this period, and how the board of directors monitors them with absolute transparency. The Board of Directors should follow up the work of the committees periodically to verify that they carry out the tasks entrusted to them, and the work charters of all the committees are approved by the Board.

Conditions to be met by Committee Members

1. To have the appropriate capabilities and qualifications, sufficient experience and honesty to perform the tasks and responsibilities; to be familiar with the financial, accounting and administrative rules for membership of the Audit and Risk Committee.
2. To not have a direct or indirect interest in the business and contracts made for the company's account.
3. The member of the committee shall abide by the obligations of the member of the board of directors to fully maintain the confidentiality of information and not to disclose the company's secrets.

Committee Membership

1. The number of members of each committee shall not be less than three and not more than five.
2. The term of the committee's membership shall be from one to three years, and it shall not exceed the remaining term of the membership of the Board of Directors.
3. The Board of Directors appoints a replacement member if the position of one of the committee members becomes vacant.
4. Each committee chooses from its members a chairperson at its first meeting or during the board of directors meeting. The committee's reporter/committee secretary is also chosen from among the company's employees.
5. The Chairman of the Board of Directors may not be a member of any of the committees imposed by the Capital Markets Authority on listed companies, except for the Nominations and Remuneration Committee.
6. Both the Remuneration and Nominations Committee and the Audit Committee must have at least one independent member.
7. The Chairman of both the Risk Committee and the Audit Committee must be a non-executive member.
8. Executive members are prohibited from joining the Audit Committee.
9. The members of the Audit Committee must include at least one member with academic qualifications and/or practical experience in the accounting and financial fields.

Governance & Sustainability Committee

Formation requirements, objectives, tasks and responsibilities

The committee consists of three (or more) members from the Board of Directors or company employees, with the Chairman of the Board of Directors serving as the Chairman of the committee. The committee meets at least twice a year. The committee aims to:

- **Governance:** Ensure the preparation, monitoring, and oversight of the implementation of governance principles and compliance with the instructions, regulations, and laws issued by various regulatory authorities in this regard, and the extent to which the company's policies, regulations, and procedures comply with these instructions. It also aims to take corrective and preventive measures and actions when necessary, achieving balance and harmony between the powers of the company's management and protecting the rights of shareholders and stakeholders.
- **Sustainability:** Enhance the company's efforts to achieve sustainability of environmental, social, and governance, improve resource management, and achieve a balance between financial performances, environmental, social, and governance considerations, and the company's and society's objectives.

The committee's duties and responsibilities include:

Governance tasks:

1. Review and initially approve the governance report in accordance with the balanced structure of the Board of Directors and present it to the Board of Directors for final approval.
2. Review and initially approve the governance manual in accordance with the requirements of the Capital Markets Authority and other relevant authorities. Other oversight functions before submitting it to the Board of Directors for final approval.
3. Review and initially approve the Compliance and Governance Department's Policies and Procedures Manual before submitting it to the Board of Directors for final approval.
4. Review and initially approve the Compliance and Governance Department's Business Plan before submitting it to the Board of Directors for final approval.
5. Oversee the implementation of governance principles and frameworks in accordance with the relevant regulatory authorities and the Governance Manual approved by the Board of Directors.
6. Continuously review the decisions, laws, and instructions issued by regulatory authorities regarding governance rules and practices, and submit recommendations to the Board of Directors regarding any changes deemed necessary to develop and implement new standards and practices.
7. Form subcommittees and working groups, by decision of the Committee Chairman alone or by the Committee members collectively, to carry out specific tasks that will provide support and assistance for the optimal implementation of governance principles and frameworks and increase employee awareness of the importance of governance objectives and requirements.
8. Oversee the preparation and initial approval of the social responsibility plan and present it to the Board of Directors for final approval.
9. Oversee the implementation of the social responsibility plan.
10. Oversee the preparation of the annual social responsibility report and present it to the Board of Directors for final approval.
11. Coordinate with the Compliance and Governance Department to ensure compliance with and optimal implementation of the procedures of Al-Tijaria Governance Manual.
12. Inform the Board of Directors of the latest developments, decisions, and laws issued by various regulatory authorities.

13. Reviews the report on lawsuits filed by and against the company, verify their causes and current status, and provide recommendations regarding them.
14. Carry out any other responsibilities assigned to the committee by the Board of Directors, in accordance with the approved Authority Matrix.

Sustainability Tasks:

1. Review and initially approve the company's Sustainability of Environmental, Social & Governance (ESG) related policies and procedures.
2. Oversee the development and implementation of Sustainability ESG-related strategies.
3. Ensure compliance with regulatory requirements and standards related to Sustainability (ESG) and manage associated risks.
4. Monitor the company's (ESG) performance and practices.
5. Review Sustainability (ESG) reports before presenting them to the Board of Directors and relevant stakeholders.
6. Engaging with stakeholders and involving them on ESG issues and integrate their feedback into the company's ESG practices.

The Committee may also seek support from external advisors as needed to effectively carry out the above-mentioned duties and meet environmental, social, and governance (ESG) obligations.

Dates and attendance of Governance and Sustainability Committee meetings during 2025

The committee held (6) meetings, noting that the committee was formed based on the Ordinary General Assembly Meeting (periodic elections) on April 29, 2024, and on October 16, 2024 (elections of a Complementary member).

#	Members, Positions & Classification	1	2	3	4	5	6	Meeting Attending	Percentage/ Membership	Percentage/ Total
		16th February	16th March	12th May	29th June	10th August	9th November			
1	Abdulfatah M. R Marafie Chairman (Non-executive)	✓	✓	✓	✓	✓	✓	6	100%	100%
2	Eng. Abdulmutaleb A.M. Marafie Vice Chairman (Executive)	✓	✓	✓	✓	✓	✓	6	100%	100%
3	Eng. Yousef Ghazi Alsaqabi Member (Executive)	✓	✓	✓	✓	✓	✓	6	100%	100%
4	Husam A. M. Albassam Member (Independent)	✓	✓	✓	✓	✓	✓	6	100%	100%
5	Mansour Mohsen Kamal Member (Non-executive)	✓	✓	✓	✓	✓	✓	6	100%	100%
6	Jaber Kazim Marafie Member (Non-executive)	✓	✓	✓	✓	✓	✓	6	100%	100%
*	Iman Amin El Mokaddem (Committee's Rapporteur)	✓	✓	✓	✓	✓	✓	6	100%	100%

Not a Member	-
Attended	✓
Didn't Attend	✗

Governance & Sustainability Committee Achievements

The committee submits all its recommendations to the Board of Directors. Its achievements include the following:

1. Governance report and annual report.
2. Follow up compliance with governance requirements.
3. Providing the members of the Board of Directors and the executive management with all the company's disclosures.
4. Governance Manual Update (Thirteenth, & Fourteenth Edition).
5. Compliance and Governance Department plan.
6. Social responsibility plan.
7. Updating disclosure and transparency policies and procedures.
8. Updating Compliance and Governance Department policies and procedures.
9. Sustainability ESG Report for the year 2024.

Audit and Risk Committee

Formation requirements, objectives, tasks, responsibilities, powers and achievements

The Board of Directors has met the requirements for forming an Audit and Risk Committee, consisting of three members by the end of 2025. Its chairman is a non-executive member of the Board and includes an independent member. The committee meets at least four times annually and aims to assist the Board of Directors in fulfilling its responsibilities, including ensuring compliance with audit standards and the effective implementation of the company's various policies, identifying weaknesses and taking corrective action. The committee also works to manage the risks to which the company may be exposed, establishing the necessary controls to mitigate them, determining the company's risk appetite and acceptable risk-to-benefit ratios, and submitting relevant recommendations to the Board of Directors.

Its responsibilities include:

1. Reviewing the interim and annual financial statements and the external auditor's report, and initially approving them before submitting them to the Board of Directors for final approval, with the aim of ensuring the fairness and transparency of financial reporting.
2. Recommending to the Board of Directors the appointment, reappointment, or replacement of external auditors and determining their remuneration. When recommending appointments, care must be taken to ensure their independence and review their letters of appointment.
3. Monitor the work of the external auditors and mitigate factors that may undermine their independence by ensuring that they do not provide services to the company other than those required by the auditing profession.
4. Review the external auditors' observations on the company's financial statements and follow up on their actions.
5. Review the accounting principles and policies applied by the company and make recommendations to the Board of Directors regarding them.
6. Evaluate the adequacy and effectiveness of the company's internal control systems and prepare a report containing the committee's opinion and recommendations in this regard.
7. Technically supervise the work of the internal audit to verify its effectiveness in carrying out the tasks and duties specified by the Board of Directors.
8. Recommend the appointment, transfer, dismissal, or replacement of the internal audit manager and evaluate his performance and that of the internal audit department.
9. Review and approve the annual internal audit plan.
10. Review the results of the internal audit reports of the company's various departments, discuss the comments received, and ensure that corrective decisions are taken.
11. Reviewing regulatory reports and ensuring that the necessary actions have been taken.
12. Ensuring the company's compliance with relevant laws, policies, regulations, and instructions.
13. Preparing and reviewing risk management strategies and policies prior to their approval by the Board of Directors, ensuring the implementation of these strategies and policies and ensuring that they are consistent with the nature and scale of the company's activities.

14. Ensuring the availability of adequate resources and systems for risk management, reviewing the organizational structure of the risk management and making recommendations regarding it prior to its approval by the Board of Directors, ensuring that management personnel have a full understanding of the risks surrounding the company, and ensuring the independence of risk personnel from operational activities.
15. Assisting the Board of Directors in determining and assessing the company's acceptable level of risk, evaluating the systems and mechanisms for identifying, measuring, and monitoring the various types of risks to which the company may be exposed, and ensuring that the company does not exceed this level of risk after its approval by the Board of Directors.
16. Studying and reviewing the company's risk reports and the measures taken to mitigate or address these risks within the company's approved acceptable risk-to-benefit ratios, and submitting these reports to the company's Board of Directors.
17. Reviewing and initially approving the internal audit and risk management policies and procedures manuals.
18. Reviewing related party transaction reports and making recommendations to the Board of Directors regarding them.
19. Reviewing information security reports and making recommendations to the Board of Directors regarding them.
20. Carrying out any other responsibilities assigned to the committee by the Board of Directors in accordance with the approved authorities matrix.

During 2025, the Committee fulfilled its duties and responsibilities in accordance with its authorities.

Dates and attendance of the Audit and Risk Committee meetings 2025

The Board of Directors held (13) meetings, noting that the Board was formed based on the Ordinary General Assembly meeting (periodic elections) on April 29, 2024

#	Members, Positions & Classification	Meeting Attending													Percentage/ Membership	Percentage/ Total	
		1	2	3	4	5	6	7	8	9	10	11	12	13			
1	Eng. Ebrahim Mohammad Alghanim Chairman (Non-Executive)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	100%	100%
2	Yousef Yagoub Al Awadhi Vice Chairman (Non-Executive)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	100%	100%
3	Firas Fahed Al Baher Member (Independent)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	100%	100%
*	Hossam Samir Habib (Committee's Rapporteur)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	100%	100%
*	Rawan Jalal Sabah (Committee's Secretary)	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	92%	92%

Not a Member	-
Attended	✓
Didn't Attend	✗

Achievements of the Audit and Risk Committee

The committee submits all its recommendations to the board of directors, and its achievements include the following:

1. Preparing the annual audit committee report and evaluating the internal control systems.
2. Review and recommend the approval of the interim and annual financial statements in accordance with the committee meetings in the presence of the external auditor.
3. Discussing and approving the internal audit plan.
4. Discussing internal audit reports, taking corrective actions and following them up.
5. Discuss and approve the risk management plan, risk assessment reports, and risk operations record.
6. Review and recommend adoption of updates to risk appetite and risk strategies.
7. Reviewing and recommending the approval of policies and procedures for relevant departments such as internal audit, risk management, accounting, finance and strategic planning, in addition to recommending the approval of relevant governance policies and procedures.
8. Recommending the appointment/reappointment or change of the external auditor and ensure their independence and review the appointment letter.
9. Recommending the appointment of an Auditing Office to prepare a report on internal control systems (ICR) annually.
10. Recommending the appointment of an Auditing Office to prepare a report on the quality of internal audit work (QAR) every three years.
11. Annual evaluation of the external auditor, risk management, internal audit department and manager.
12. Other regulatory matters such as information security & IT auditing.

Remuneration and Nominations Committee

Formation requirements, objectives, tasks, responsibilities, powers and achievements

The company's Board of Directors has fulfilled the requirements for forming a Remuneration and Nominations Committee, which consists of three (or more) members from the Board of Directors, and its chairman is a non-executive member of the Board. The committee also includes an independent member. The committee meets at least twice a year. The committee aims to assist the Board of Directors in fulfilling its responsibilities and supervisory duties. This includes ensuring the nomination of qualified individuals for Board of Directors membership and executive and administrative positions within the company. It also ensures that these nominations are conducted within an institutional framework characterized by efficiency and complete transparency. This framework serves the company's interests and thus achieves shareholders' objectives. The committee also performs supervisory duties to ensure the integrity and soundness of the company's remuneration and allocations policy for members of the Board of Directors and executive management. It also ensures that these remunerations are fair and contribute significantly to attracting highly qualified and technically competent human resources. The committee also aims to consolidate the principle of belonging to the company, in accordance with the following powers:

1. Recommending the acceptance of the nomination and re-nomination of the members of the Board of Directors and the Executive Management.
2. Developing a clear policy for remuneration for members of the Board of Directors and Executive Management, with an annual review of the required needs of skills appropriate for membership in the Board of Directors, studying and reviewing those requests, and determining the different segments of remuneration that will be granted to employees, such as the fixed remuneration segment, the performance-related remuneration segment, and the remuneration segment in the form of Shares, a tranche of end-of-service rewards, and setting up a system of incentives and rewards by evaluating the performance of both managers/executive management and company employees.
3. Developing job descriptions for executive members, non-executive members, independent members in the BOD and the CEO.
4. Ensure that the independent member of the Board of Directors does not lack independence aspect, and there is no conflict of interest regarding the membership on the board of directors of another company.
5. Preparing a detailed annual report on all remunerations granted to members of the Board and the Executive Management, whether they are amounts, benefits or privileges, of whatever its nature or name, directly or indirectly through the company or its subsidiaries, provided that this report is presented to the company's general assembly for approval thereupon.
6. Follow up the performance of members of the Board of Directors and Executive Management according to Key Performance Indicators (KPIs).
7. Initial approval of the annual employment plan in accordance with the company's needs and the recommendations of executive management to be submitted to the Board of Directors for final approval.
8. Initial approval of a plan to rotate and replace executive positions to be submitted to the Board of Directors for final approval.
9. Provide recommendations to the Board of Directors to appoint members of the executive management and vacant leadership positions in accordance with approved policies and standards in a manner that does not conflict with the instructions and regulating laws.
10. Identify the strengths and weaknesses of the Board of Directors through self-evaluation and recommend taking the necessary measures to correct any failures in proportion to the company's interest.
11. Supervising the preparation of the training plan for all company employees and monitoring its implementation.
12. Review the annual employee turnover rate to measure the degree of loyalty to the company, maintain professional competencies, and develop the necessary recommendations to be submitted to the Board of Directors for approval/ rejection.
13. Approving the company's job grades and salaries' structure, to be submitted to the Board of Directors for final approval.
14. Provide periodic updates to the organizational structure based on administrative decisions related to changes and administrative responsibilities.
15. Supervision and initial approval of the insurance mechanism for risks related to the professional liability of members of the Board of Directors and executive management.
16. Carrying out any other responsibilities assigned to the committee by the Board of Directors in accordance with the approved authority matrix.

Dates and attendance of Remuneration and Nominations Committee meetings during 2025							
The committee held (3) meetings, noting that the committee was formed based on the Ordinary General Assembly Meeting (election cycle) on April 29, 2024							
#	Names, Positions & Classification	1	2	3	Meeting Attending	Percentage/ Membership	Percentage/ Total
		17th February	16th March	10th November			
1	Talal J. M. Albahar Chairman (Non-executive)	✓	✓	✓	3	100%	100%
2	Adwan M. A. Aladwani Vice Chairman (Non-executive)	✓	✓	✓	3	100%	100%
3	Husam A. M. Albassam Member (Independent)	✓	✓	✓	3	100%	100%
*	Mohammad Haidar Ghadanfari Committee's Rapporteur	✓	✓	✓	3	100%	100%
*	Fayrouz Mahmoud Shaheen Committee's Secretary	✓	✓	✓	3	100%	100%

Not a Member	-
Attended	✓
Didn't Attend	✗

Achievements of the Remuneration and Nominations Committee

The committee submits all its recommendations to the Board of Directors, and its most important achievements include the following:

1. Nomination and re-nomination of members of the Board of Directors and Executive Management.
2. Professional liability insurance for members of the Board of Directors and Executive Management.
3. Policies and procedures related to the Committee's duties.
4. Training plan, recruitment plan, and succession plan.
5. Board member remuneration and attendance allowance for committee meetings.
6. Remuneration of executive management, employees of the Company, and subsidiaries.
7. Annual report on remuneration granted to members of the Board of Directors and Executive Management, and those granted to the CEOs who received the highest amounts from the Company.

Board members obtaining of accurate and timely information and data

1. The company follows an accurate system for submitting reports and information at all administrative levels, whether at the level of the executive management, committees or the board of directors. It includes many types of weekly, monthly and quarterly reports in addition to reports of an immediate nature that are linked to urgent information.
2. As for the documents of the Board and committee meetings, they are provided with an electronic copy that they can keep permanently for reference when needed or necessary.
3. In the event that one, a number, or all members of the Board of Directors request any information, data, or reports, whether during Board of Directors meetings, committee meetings, or through e-mail, by official letter, or by telephone, coordination will be made with the relevant department to prepare the required requirements/information/reports and present them to Chairman of the Board of Directors for review and then send it to the members at the next meeting for discussion or as soon as possible according to the following:
 - Reports are characterized by brevity, accuracy, and materiality in presenting information, so that the information and data presented in the report are very comprehensive and consistent, and that they are material and important information that facilitates the decision-making process.
 - Periodic presentation of reports, where the report is updated with the latest information and developments and is prepared according to specific and sequential time frames and submitted at the appropriate time (three days before the meeting, excluding emergency meetings) to ensure sufficient time is available to study the information.
4. The infrastructure of information technology systems is constantly being developed, especially reporting systems, to ensure that all reports are prepared with a high degree of quality and accuracy and are submitted to the members of the Board of Directors in a timely manner.

Third Rule - Recruit Highly Qualified Candidates for Members of a Board of Directors and the Executive Management

Summary of the rewards and incentives policy granted to members of the Board of Directors, executive management and managers

The Board of Directors has established a clear policy for the remuneration of the members of the Board of Directors and the executive management, with an annual review of the requirements required for the appropriate skills for membership of the Board of Directors, as well as attracting applications for those wishing to occupy executive positions as needed, studying and reviewing those applications, and determining the different segments of the rewards that will be granted to employees, such as fixed bonuses, performance-related bonuses, stock bonuses, and end-of-service remuneration.

1. Policy of remuneration and incentives granted to members of the Board of Directors:

- The total estimated remuneration may not exceed 10% of net profits (after deducting depreciation, reserves and dividend distribution of not less than 5% of the capital or any higher percentage stipulated in the company's articles of association).
- The company's general assembly has the right to exempt the independent board member from the maximum mentioned remuneration.
- The Remuneration and Nominations Committee is responsible for proposing recommendations regarding the remuneration of members of the Board of Directors and submits its recommendations or not to the Board of Directors for approval, which in turn presents them to the General Assembly to decide on them.
- The Remuneration and Nominations Committee is responsible for proposing recommendations regarding the remuneration of members of committees emanating from the Board of Directors and submitting its recommendations to the Board for approval.

2. Rewards and incentives policy granted to executive management and managers:

- Bonuses are linked to all performance levels of the company's employees.
- The rewards must be consistent with the company's strategy and objectives in the short and long term.
- The rewards should be in line with the experience and qualifications of the company's employees at various job levels, the company's size and nature, and the risks to which it is exposed.
- Linking rewards to the soundness of the company's operations and financial position.
- Balancing the salary and bonus structure to ensure factors that attract qualified people are in line with the company's business, activities, and business results appropriately, fairly and without exaggeration.

The reward system for executive management considers the environment in which the company operates, the results it achieves, and the degree of the company's risk tolerance. It includes the following main components:

A. Fixed remuneration

- Fixed remuneration is determined in the company, considering the level of responsibilities assigned and the career path specified in the company.
- Fixed remuneration and end-of-service are contractually agreed upon as compensation for their skills, competencies and experience used to perform their job role and in accordance with the requirements of the Labor Law in the Private Sector and other relevant regulatory requirements.
- Fixed remuneration is reviewed periodically to re-evaluate the total remuneration package, market conditions, and performance at the individual and company levels in general.
- Fixed remuneration, including salaries, allowances and benefits, are determined within the salary and job grade structure approved by the company's Board of Directors.

B. Variable remuneration

- Variable remunerations are linked to the process of achieving pre-set goals and managing risks effectively.

- This type of remunerations is designed to motivate. Variable bonuses are allocated based on individual performance and the company's overall performance.
- Variable remuneration is offered in cash or in the form of shares if the company decides to adopt a stock options system. This matter is determined annually by the Nominations and Remuneration Committee before being approved by the Board of Directors.
- The company's variable remuneration system is based on the process of determining performance indicators for executive management. By adhering to these indicators, the value of the variable bonuses due to members of the executive management is determined, and these bonuses are distributed based on individual performance.

C. Balance between fixed and variable remunerations

The company ensures that there is an appropriate balance between fixed and variable rewards, in order to be able to reduce variable rewards in the event of weak or negative financial performance. The percentage of fixed and variable remuneration is reviewed and determined annually by the Board of Directors based on the recommendation of the Nominations and Remuneration Committee.

- The Remuneration and Nominations Committee is responsible for setting the remuneration policy for the company's executive management, and its goal is to achieve a balance between competitive remuneration in the market to retain talent and develop current and future shareholder returns.
- The Remuneration and Nominations Committee works to benefit from analytical tools, qualitative and quantitative procedures, and studies provided by external companies specialized in the process of formulating rewards offers and incentive programs for the company's executive management, including annual performance rewards and short- and long-term incentives (upon request).
- In addition to this, the company has a system to monitor and evaluate the performance of the company's executive management and employees.

3. Procedures and mechanism for disbursing rewards and incentives:

- Evaluation forms (key performance indicators, goal indicators, and annual evaluation) are filled out for all the company's employees and approved by the company's CEO, in accordance with the procedures stipulated in the group's human resources management policies and procedures, and in accordance with the forms approved by the Remuneration and Nominations Committee and the Board of Directors.
- The Remuneration and Nominations Committee submits its recommendation to the Board of Directors for approval, either by distributing a percentage of the company's net profits or using the available allocation allocated to the company from previous years.
- The Board of Directors authorizes the Chairman of the Board of Directors or the CEO of the company to disburse these bonuses according to what it deems appropriate in terms of the method of disbursing them and the date of their distribution.

Remunerations and benefits of the Board of Directors and the Executive Management for the fiscal year ending 31/12/2025

		Rewards and benefits for members of the Board of Directors* for the fiscal year ending on 31/12/2025 (Kuwaiti Dinars)															
		Rewards and benefits through the mother Company					Rewards and benefits through the Subsidiaries										
Total number of the members		Fixed Rewards and benefits					Variant Rewards and benefits					Variant Rewards and benefits					
		Health Insurance	Life Insurance	Professional Liability Insurance	Annual Bonus	Board Members Remuneration	Committees Reward	Monthly Salary	Annual Leave	End of Service	Health Insurance	Life Insurance	Professional Liability Insurance	Car Allowance	Board Members Remuneration	Board Members Remuneration	Board Members Remuneration
8		495	108	1,576	-	128,000	-	301,092	55,001	66,000	495	-	1,773	7,200	6,000	6,000	300,000

Total remunerations and benefits granted to five senior executives who received the highest remunerations, in addition to the Chief Executive Officer and the Finance Manager or whoever replaces them if they are not among them* for the fiscal year ending on 31/12/2025 (Kuwaiti Dinars)

The total number of executive positions	Rewards and benefits through the mother Company											Rewards and benefits through the Subsidiaries						Variant Rewards and benefits		
	Fixed Rewards and benefits											Fixed Rewards and benefits						Variant Rewards and benefits		
	Monthly Salaries	Annual Leave	End of Service Indemnity	Health Insurance	Life Insurance	Professional Liability Insurance	Car Allowance	Annual Bonus	Monthly Salaries	Annual Leave	End of Service Indemnity	Health Insurance	Life Insurance	Professional Liability Insurance	Car Allowance	Board Members Reward	Board Members Reward	Professional Liability Insurance	Annual Bonus	
6	257,563	44,827	18,692	2,972	1,338	1,182	14,594	162,000	-	-	-	-	-	985	-	18,000	-	-		

*All details, segments, and types of rewards and benefits granted by Al- Tijaria Real Estate Company and its subsidiaries during the year 2025 have been added. The company did not record any essential deviations from the remuneration policy approved by the Board of Directors.

Fourth Rule -Safeguard the Integrity of Financial Reporting

Acknowledgment of the BOD with soundness and integrity of the Financial Statements For the fiscal year ending on 31/12/2025

The Chairman and members of the Board of Directors of the Commercial Real Estate Company (Al- Tijaria) acknowledge and undertake the safety and integrity of the financial statements that have been provided to the external auditor, and that the company's financial reports have been presented in a sound and fair manner, in accordance with the International Accounting Standards (IAS) applied in the State of Kuwait and approved by the Supervisory Board, and that they express the company's financial position As on December 31, 2025, based on the information and reports received from us by the executive management and the auditors, and by doing so the accounts, and doing due diligence to verify the integrity and accuracy of these reports.

- Consolidated statement of financial position.
- Consolidated income statement.
- Consolidated statement of comprehensive income.
- Consolidated statement of changes in equity.
- Consolidated statement of cash flows.
- The explanatory notes to the consolidated financial statements.

Member's Name	Position	Signature
Abdulfatah M. R. Marafie	Chairman of the Board	
Adwan M. Aladwani	Vice Chairman of the Board	
Eng. Ibrahim M. Alghanim	Board Member	
Feras Fahad Albahar	Board Member	
Husam A. Albassam	Board Member	
Eng. Abdulmutaleb A.M. Marafie	Board Member	
Talal J. Albahar	Board Member	
Yousef Y. Alawadhi	Board Member	



**Acknowledgment of the Executive Management of safety and integrity of financial statements
For the fiscal year ending on 31/12/2025**

We, the undersigned, acknowledge and undertake the safety and integrity of the financial reports, which cover all financial aspects of data and operational results as come to our knowledge, and according to in which the external auditor has provided, and in accordance with International Financial Reporting Standards (IFRS), and that the consolidated financial statements of the Al Tijaria Real Estate Company express fairly in all material respects, the financial position as of December 31, 2025, bearing in mind that the company's financial statements consist of:

- Consolidated statement of financial position.
- Consolidated income statement.
- Consolidated statement of comprehensive income.
- Consolidated statement of changes in equity.
- Consolidated statement of cash flows.
- The explanatory notes to the consolidated financial statements.

Eng. Abdulmutaleb A.M. Marafie
CEO & Board Member

Fuad Hasan Darwish
Accounting Department
Manager

Walid Youssef Wizani
Finance and Strategic planning
Department Manager



**Annual Report of the Annual Audit Committee
For the fiscal year ending on 31/12/2025**

Dear Shareholders,

On my own behalf and on behalf of my fellow committee members, I am pleased to present to you the Audit Committee's report on the work of the fiscal year ending on December 31, 2025, which includes its evaluation of the internal control and risk management systems and ensuring their effectiveness within the framework of the committee's responsibilities in accordance with the requirements of the executive regulations of the Capital Markets Authority Law (Corporate Governance Book). The committee played its role in the field of internal audit, control and risk management, and held periodic meetings during the year with the aim of assisting the company's board of directors in performing its duties and responsibilities.

Accordingly, the company's departments and divisions carry out their work in accordance with policies and procedures within the limits of the powers granted and approved. In the field of control, the Risk, Compliance, Governance, Mechanism and Strategic Planning Department directs and assists the rest of the departments and divisions in monitoring risks and improving control and compliance. The Internal Audit Department also conducts independent reviews and discusses deficiencies in the application of controls and corrective measures thereon. The company appoints an independent external audit office to submit an annual report on the evaluation of internal control systems. The results are discussed through the relevant committees, especially the Audit and Risk Committee and the Governance Committee, and recommendations are presented to the Board of Directors.

Opinion of the Audit and Risk Committee

Based on the tasks we have performed, and the confirmations and disclosures obtained from executive management, it has been confirmed that the internal control procedures are considered reasonably adequate in material respects and to a degree that balances cost and benefit. Given the risks inherent in any internal control system, it is not possible to provide absolute assurance that there are no control weaknesses. Note that no violations were detected by the relevant regulatory authorities and no financial or non-financial penalties were applied to the company.

The Audit and Risk Committee confirms that all of the committee's recommendations submitted to the company's Board of Directors during the financial year ending on December 31, 2025, and up to the date of preparing this report have been approved, and the committee has not detected any conflict between its recommendations and the decisions of the Board of Directors.



Eng. Ibrahim M. Alghanim
Chairman of the Committee.

Independence and Neutrality of the External Auditor

The company is committed to complying with the instructions and regulations related to the appointment of the company's auditor, considering the following:

- Ensuring the independence and neutrality of the external auditor from the company and its board of directors.
- The annual ordinary general assembly appoints the company's auditor based on the proposal of the Board of Directors, considering the following:
 1. Nominating the auditor based on a recommendation from the Audit and Risk Committee submitted to the Board of Directors.
 2. Choosing the auditors registered in the special register with the Supervisory Board, fulfilling all the conditions stipulated in the requirements of the Supervisory Board's decision in this regard.
 3. Ensuring the independence of the external auditor from the company and its board of directors, and not carrying out additional work for the company, except for auditing and auditing, to ensure that neutrality and independence.
 4. Inviting the auditor to attend the meetings of the Audit and Risk Committee to discuss his views on the interim and annual financial statements with its members so that his comments, if any, along with the committee's recommendations are submitted to the Board of Directors to take a decision thereupon.
 5. Empowering the external auditor to attend the meetings of the general assemblies and read the report prepared by him to the shareholders, explaining any obstacles or interferences he faced from the Board of Directors during the performance of his work, and the external auditor must inform the CMA of any fundamental violations or obstacles and their details.

Fifth Rule – Apply Sound Systems of Risk Management and Internal Audit

Brief statement on the implementation of requirements for establishing an independent Department/ Office/Unit for Risk Management

The company has established an independent unit for risk management on the organizational structure, which enjoys complete independence, as it reports directly to the Audit and Risk Committee, in addition to appointing a specialized consulting office to carry out risk management work, as the Commercial Real Estate Company is keen on risk management as an essential aspect of the company's strategic management, and the company manages the risks. In accordance with the philosophy of "risk management is everyone's responsibility," the company has been keen to adopt a set of regulating policies and procedures to confront the risks associated with its activities with the aim of achieving a balance between the degrees of risk exposure and the expected return from each individual activity and then all of the company's activities in general. In continuation of implementing the company's conservative risk management policies over the past years, the company was keen to develop risk management policies and strategies and work to diversify its investments in terms of sectors and geographical distribution. This is to ensure diversification and reduce the amount of exposure to market risks and risks concentration. In addition to following different methods to deal with the types of surrounding risks to which the company's business may be exposed, by transferring risks, sharing risks, rejecting risks or accepting controllable risks, and developing mitigation plans and reducing them in accordance with the objectives, returns, and cost-effective standards of the risk management process.

The company has worked to instill a risk management culture within the workplace by adopting comprehensive policies that are periodically reviewed from a risk management perspective and clearly define the roles and responsibilities of each manager and employee. This approach aims to integrate risk management tasks into daily operations, enhancing accountability and improving performance at all functional and administrative levels within the company.

An overview of the application of the requirements for forming a risk management committee

The Board of Directors formed the Audit and Risk Committee and approved its regulations to meet the requirements for formation, tasks, meetings and their periodicity. The Audit and Risk Committee assist the Board of Directors in setting the strategy and general framework for risk management and supervising the implementation of this strategy by executive management, in addition to following up on the reports submitted by the party appointed to carry out risk management operations related to identifying, measuring, analyzing and treating the risks associated with the company's activities. This is to ensure that the necessary and effective corrective measures are taken to manage these risks to reduce their impact and place them within the range acceptable to the company.

The committee also submits its periodic reports to the Board of Directors to ensure that the Board is informed of the types of risks to which the company may be exposed and the measures taken to achieve the required goals within acceptable levels of risks. Below we list the types of potential risks and threats to which the company may be exposed according to the nature of its business and some of the precautionary measures taken by the company to ensure confronting those risks and preventing their occurrence or reducing their effects. Note that these threats do not necessarily exist, but there is a possibility of them appearing if the necessary measures are not taken to confront them.

	Types of risks that may confront the company	Risk Management Strategies
<p>Strategic Risk</p>	<p>This type of risk focuses on strategic risks and business efficiency, which are risks related to the implementation of the company's general strategy that threaten the achievement of long-term goals and strategies. Below are some examples of strategic risks:</p> <ul style="list-style-type: none"> • The possibility of not adopting and implementing a clear and defined strategy. • The possibility of not providing the financial, technical and human resources necessary to manage the company's business and supervisory functions. 	<p>A comparison of the asset allocation strategy related to the sectoral and geographical classification and distribution of the company's assets and investments during 2025 was presented POD.</p> <p>The strategy is reviewed and approved when needed to conduct the required diversification of the company's assets and investments in accordance with changes and market, economic and political factors.</p> <p>The estimated budget for the next five years has also been prepared to ensure the availability of financial resources as well as employment plans and to update the company's organizational structure.</p> <p>Advanced systems in information technology are also being developed and applied to ensure the efficiency and flow of business.</p>
<p>Operating Risks</p>	<p>This type of risk focuses on all types of operational risks, which include inadequacy of internal control systems, technological risks, risks of inefficiency and/or non- effectiveness of processes and procedures in achieving the company's general objectives, and human error and failure of programs and inadequacy and efficiency of procedures and controls contribute to this. We list below some examples of operational risks:</p> <ul style="list-style-type: none"> • Possible deficiency in operational processes and internal controls of information systems and accounting records. • The possibility of insufficient planning in information systems to face emergency crises. 	<p>Manuals of operational policies and procedures have been developed, as well as internal audit and control systems for operational processes and administrative systems, as well as the application of technical systems necessary for the implementation and follow-up of operations, with the development of control mechanisms and the structure of powers over those systems and work to develop them on an ongoing basis.</p> <p>The company also has a specialized information technology department whose tasks include preparing backup copies, protection procedures, and ongoing support to ensure the availability of data and the continuity of systems in operation, as well as remote work techniques and procedures.</p>
<p>Financial Risks</p>	<p>This type of risk focuses on the various financial risks that the company may face, which are the risks of ineffective management and financial control in the company and the impact of external factors such as the ability to provide credit facilities, currency exchange rate fluctuations, change in interest rates, and other market factors. Below are some examples of finance risks:</p> <ul style="list-style-type: none"> • The possibility of not adopting prudent and appropriate policies for financial management. • The possibility of not making the necessary matches and revisions between what is planned according to the estimated budgets and the actual reality to measure achievement rates and deviation. • The possibility of investing in high-risk sectors, fields and countries without taking into account taking the necessary steps to protect the company from the risks that it may be exposed to from those operations. 	<p>Financial risks are managed through a set of procedures and systems, which include setting estimated budgets at the level of departments, groups and the company as a whole, in addition to effective follow-up and control over the management of financial flows and making periodic comparisons between what is planned within the estimated budget compared to the actual reality to identify deviations and work to correct them to ensure efficient running of operations.</p> <p>Also, periodic reports are submitted to the Board of Directors to monitor the financial performance and compliance with the plans set at the level of operation and investment.</p>

<p>Governance and Compliance Risks</p>	<p>This type of risk focuses on the risk of non-compliance with laws, regulations, and decisions issued by regulatory authorities, as well as the company's internal policies and procedures, which are represented in the risk of the company's operations not conforming to applicable laws and regulations.</p> <p>Below are some examples of compliance risks:</p> <ul style="list-style-type: none"> • The possibility of weak professional culture and experience in supporting and guiding workers to abide by laws and instructions. • The possibility of weakness of internal compliance systems and training programs. • The possibility of not activating the role of the legal department and legal consultation. 	<p>An independent Compliance Unit was established by the Board of Directors within the company's organizational structure, reporting directly to the Governance and Sustainability Committee. A specialized risk management consultant was also appointed to assess the company's compliance with all laws and regulations issued by various regulatory bodies and to provide the Board of Directors with periodic reports on the company's adherence to these regulations.</p> <p>The company also prepared a comprehensive guide that includes all instructions, procedures, and policies for applying governance standards, and it was circulated to the relevant company employees to ensure efficient application and compliance. Training plans approved by the Board of Directors have also been developed to ensure that all employees are familiar with the requirements for compliance with laws and instructions and how to apply them. The company's contracts are subject to legal review by the company's legal advisor, in addition to contracting with specialized law firms for assistance when needed.</p>
<p>Information risks associated with decision-making</p>	<p>This type of risk focuses on those associated with the inaccuracy and inadequacy of the information used to support strategic, financial and operational decisions.</p> <p>These risks are related to the usability and timeliness of the information, whether it was obtained or summarized by applications to the software used, and the extent to which the information needs are understood.</p>	<p>An integrated system has been developed for the process of reporting and exchanging information between the different administrative levels to ensure the accuracy and integrity of information and the timeliness of information submission on the one hand, in addition to maintaining the confidentiality of information on the other hand, so that information is circulated to authorized persons only. Emphasizing the importance of information security, a specialized advisory body was appointed to establish the information security function in the company.</p> <p>Many review points have also been established and policies and procedures approved to increase the emphasis on the accuracy of the information submitted to the senior management and the board of directors, which are used in directing operations and decision-making.</p>
<p>Reputation Risk</p>	<p>These are the risks associated with activities that may take place or be carried out in contravention of accepted and recognized standards, which may tarnish the company's reputation in the market in which it operates.</p>	<p>A clear policy has been developed for the Code of Conduct and Ethical Standards to ensure that the company's employees adhere to the ethics and principles of the tolerant Islamic Sharia in line with the company's directions.</p> <p>Also, all the company's transactions are subject to the approval of the Sharia Supervisory board to ensure the preservation of the company's reputation and its commitment to the principles of Islamic Sharia.</p>

Summary clarifying the control and internal control systems

The company adopts a set of internal control systems to ensure and maintain the level of performance and control the operational and financial operations that cover all the company's activities and departments. This is done by adopting a set of policies, procedures and organizational structures and regulations include (proper definition of powers and responsibilities - complete separation of duties and no conflict of interests - double examination and control - double signature). The Board of Directors follows up the internal control systems through periodic reports issued by the committees and departments, as the Board of Directors periodically verifies their impartiality and efficiency. The supervisory departments enjoy the necessary independence that allows them to carry out their work accurately and efficiently. It also ensures the provision of the human cadres necessary to carry out the work, which are characterized by experience and efficiency. In the event of any observations by any of the company's committees or supervisory departments, the Board takes immediate corrective action through the following channels:

- Continuous follow-up by the Audit and Risk Committee.
- Preparing the Sharia Supervisory Board's report on an annual basis.
- Preparing an annual report on the evaluation and review of internal control systems (ICR Report).
- Preparing the Internal Audit Quality Assurance Report (Intern Audit - QAR Report) every three years.
- Preparing periodic reports by independent departments (Internal Audit Department - Risk Management Unit - Compliance and Governance Department).

A brief statement on the application of the formation requirements of the internal audit department/office/unit

Al-Tijaria, in the field of internal audit relies on an independent department created for internal audit purposes. The Board of Directors verifies that the internal audit and control is a permanent process that covers all the important activities and works of the company according to the approved internal audit plan.

The Internal Audit Department prepares regular and periodic reports on the audit results according to the approved plan, and verifies that the internal control processes and controls have been formulated by the management and are implemented to reduce the impact and likelihood of risks. Then the Audit & Risk Committee reviews the results of the internal audit reports, and follows up on taking the necessary corrective actions regarding the observations highlighted in the reports.

السادة/ أعضاء مجلس الإدارة
الشركة التجارية العقارية ش.م.ك
دولة الكويت

تحية طيبة وبعد،

**الموضوع: تقرير حول السجلات المحاسبية والسجلات الأخرى وأنظمة الرقابة الداخلية عن
السنة المنتهية في 31 ديسمبر 2025**

بناء على خطابكم الخاص بتكليفنا بفحص سجلات الشركة المحاسبية والسجلات الأخرى وأنظمة الرقابة الداخلية لشركة التجارة العقارية ش.م.ك عن السنة المالية المنتهية في 31 ديسمبر 2025 فقد قمنا بفحص وتقييم نظم الرقابة الداخلية للشركة وقد تضمن الفحص الإدارات التالية:

- | | |
|--|--------------------------------|
| • وحدة ادارة المخاطر | • إدارة تقنية المعلومات |
| • ادارة الإلتزام والحوكمة | • ادارة المرافق |
| • ادارة الإستثمار | • ادارة المشاريع وضبط المشاريع |
| • وحدة علاقات المستثمرين | • قسم شؤون المساهمين |
| • الإدارة المالية والتخطيط الإستراتيجي | • إدارة التدقيق الداخلي |
| • إدارة المحاسبة | • إدارة التسويق والاتصال |
| • إدارة الموارد البشرية للمجموعة | • إدارة العقار |
| • إدارة الشؤون القانونية للمجموعة | |

لقد قمنا بأعمالنا وفقا لمطلوبات الكتاب الخامس عشر "حوكمة الشركات" من اللائحة التنفيذية لتقنون هيئة أسواق المال والمعايير الدولية المحددة في إطار الرقابة الداخلية.

وبصفتكم أعضاء مجلس إدارة الشركة فإنكم مسئولون عن إرساء نظم الرقابة الداخلية مع الأخذ في الاعتبار المناقع المتوقعة والتكاليف المتعلقة بتأسيس تلك الأنظمة والالتزام بمطلوبات هيئة أسواق المال المذكورة في الفقرة أعلاه. إن الهدف من التقرير هو اعطاء تأكيدات معقولة وليست قاطعة عن مدى السليمانية الإجراءات والأنظمة المتبعة بفرض حماية الموجودات ضد أية خسائر ناتجة عن أي استخدام أو تصرف غير مصرح به، وأن المخاطر الرئيسية يتم مراقبتها وتقييمها بشكل ملائم، وأن المعاملات يتم تنفيذها طبقا لإجراءات التفويض المقررة وأنه يتم تسجيلها بشكل صحيح، وذلك لتمكينكم من القيام بأعمالكم بشكل سليم.

ونظرا لنواحي القصور في أي نظام من أنظمة الرقابة الداخلية، فإنه قد تحدث أخطاء أو مخالفات ولا يتم اكتشافها. إضافة إلى ذلك فإن توقع التقييم للأنظمة على الفترات المستقبلية يخضع لخطر أن تصبح معلومات الإدارة وإجراءات الرقابة غير ملائمة بسبب التغييرات في الظروف، أو أن تقل درجة الإلتزام بتلك الإجراءات. برأينا، وفيما يتعلق بطبيعة وحجم الأعمال خلال السنة المنتهية 31 ديسمبر 2025 فإن السجلات المحاسبية والسجلات الأخرى وأنظمة الرقابة الداخلية التي تم فحصها من قبلنا، قد تم إعدادها والاحتفاظ بها وفقا لتعليمات هيئة أسواق المال باستثناء الأمور المبينة في الملحقين الثاني والثالث في هذا التقرير.

وتفضلوا بقبول فائق الاحترام والتقدير،

الكويت في 5 مارس 2026
سليمان عبد الرحمن البسام
مراقب حسابات مرخص رقم 253 فئة " أ " أ
الينتيال جلوبيال - سليمان البسام وشركاه

سليمان عبد الرحمن البسام



سليمان البسام وشركاه

Shari'a Supervisory Board Report of 2025
Dar Al-Reqabah For Islamic Consultations



Dar Al-Reqabah
For Islamic Consultations

بسم الله الرحمن الرحيم

تقرير الهيئة الشرعية

خلال الفترة من 2025/01/01م إلى 2025/12/31م

الحمد لله وحده، والصلاة والسلام على من لا نبي بعده، وعلى آله وصحبه.

المحترمون

السادة/ مساهمي الشركة التجارية العقارية

السلام عليكم ورحمة الله وبركاته.

وفقاً لعقد الارتباط الموقع مع مكتب دار الرقابة للاستشارات الشرعية، قمنا بتدقيق العقود والمعاملات التي نفذتها الشركة خلال السنة المالية المنتهية في 2025/12/31م، لإبداء الرأي في مدى التزام الشركة بأحكام الشريعة الإسلامية، كما تم بيانها في الآراء والإرشادات والقرارات الشرعية التي تم إصدارها من قبلنا.

تقع مسؤولية الالتزام بتنفيذ العقود والمعاملات طبقاً لأحكام الشريعة الإسلامية على إدارة الشركة، أما مسؤوليتنا فتتحدد في إبداء رأي مستقل في مدى التزام الشركة بذلك بناء على تدقيقنا. لقد قمنا بتدقيقنا الذي يتطلب منا تخطيط وتنفيذ إجراءات التدقيق والحصول على جميع المعلومات والتفسيرات والإقرارات التي نعتبرها ضرورية لتزويدنا بأدلة تكفي لإعطاء تأكيد معقول بأن الشركة ملتزمة بأحكام الشريعة الإسلامية، كما تم بيانها من قبلنا.

إن تدقيقنا قام على أساس فحص عينات من كل نوع من أنواع العقود والمعاملات المنفذة خلال الفترة، ونعتمد بأن أعمال التدقيق التي قمنا بها توفر أساساً مناسباً لإبداء رأينا.

وبناء على ما تقدم، نفيد بما يلي:

- إن الشركة خلال السنة المالية المحددة، ملتزمة بتنفيذ واجباتها تجاه تنفيذ العقود والمعاملات طبقاً لأحكام الشريعة الإسلامية، كما تم بيانها في الآراء والإرشادات والقرارات الشرعية التي تم اعتمادها من قبلنا.

- تقع مسؤولية إخراج الزكاة على المساهمين.

وصلى الله وسلم على نبينا محمد، وعلى آله وصحبه أجمعين.

الشيخ يوسف محمود علي

عضوا

أ.د. بدر عبد الرزاق الماص

عضوا

أ.د. سعيد محمد الطبطبائي

رئيس الهيئة الشرعية

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دار الرقابة
للاستشارات الشرعية
ص.ب. ٤١٢٥ الصفاة
الرمز ١١٣٠٤٢ الكويت
هاتف : ٢٢٤٦١١٤١

Sixth Rule - Promote Code of Conduct and Ethical Standards

Charter of Standards and Determinants of Code of Conduct and Ethical Values

The Commercial Real Estate Company is committed to consolidating a culture of professional behavior and ethical values within the company enhances investor confidence in the company's integrity and financial soundness, as the commitment of all company employees, whether members of the board of directors, executive management, or other employees, to the company's internal policies and regulations and legal and regulatory requirements, will lead to achieving the interests of all. Parties related to the company, especially shareholders, without conflict of interest and with a high degree of transparency. The Charter of Code of Conduct and Ethical Values is the charter of work values in Al-Tijaria and includes professional ethics and behavioral controls that must be followed by members of the Board of Directors, executive management and employees of the company in accordance with the principles, teachings and ethics of the Islamic Sharia, and includes goals, principles and standards.

a. Objectives:

1. Consolidating the moral concepts and values of the company.
2. A tool to refer to the company's behaviors and ethics.
3. Verifying the commitment of all employees of the company to ethical and behavioral standards that are consistent with the company's policies and vision.
4. Providing an appropriate and effective work environment within the frameworks of applying governance.
5. Considering the ideal employee who is committed to his duties and aware of his rights is the cornerstone of building "Al-Tijaria".
6. Building the foundations of cooperation and interaction, developing a team spirit, and consolidating the loyalty of Al-Tijaria's employees.
7. Respecting work and applying the teachings of Islamic law in all transactions between employees and clients.

b. Principles and Standards:

1. The commitment of each of the members of the Board of Directors, the executive management and the company's employees to all laws and instructions, and a commitment to achieve the interest of the company, shareholders and other stakeholders and not the interest of a specific category or group.
2. The members of the Board or the Executive Management shall not use the position's power to achieve any private interest or personal ends for him or for others.
3. Non- exploitation of the company's assets and resources to achieve personal interests and to use them in the best way to achieve the company's goals.
4. Establishing an appropriate and clear system and mechanism that prevents the members of the Board, the executive management and the employees from exploiting the information by virtue of their job position for their personal benefit.
5. Setting the standards, procedures and policies needed to organize operations with related parties.
6. Setting the necessary standards, procedures and policies for the complete separation between the interests of the company and those related to the members of the Board of Directors.
7. The obligation of the members of the board of directors to disclose to the board of directors any common interests it has with the company, whether directly or indirectly.
8. The members of the Board of Directors are obligated not to participate, express an opinion, or vote on any issues presented to the Board in which they have a direct or indirect common interest.
9. Establishing the necessary mechanism for the company's employees to report their complaints about any improper practices or suspicious matters while ensuring an independent and fair investigation of these complaints, and ensuring confidentiality that ensures the protection of the whistleblower from any negative reaction or harm that may be caused to him as a result of reporting such practices.
10. The job includes reciprocal rights and duties between the employee and the company, and the employee's positive participation is through the constant pursuit of performing duties with full understanding and awareness and awareness of responsibilities honestly and faithfully in return for his rights that must be guaranteed by "Al-Tijaria" in accordance with the internal regulations and labor law.
11. Ensuring the freedom to differ in viewpoints between colleagues in seeing things and ideas is a natural matter as long as it does not conflict with the course of work and job tasks and does not lead, directly or indirectly, to obstructing or impeding the achievement of goals.
12. Ensuring the equality between employees.
13. Ensuring respect, constructive dialogue, exchanging ideas, and avoiding controversy is the best and finest means of dealing among all employees, regardless of their job levels, and it is one of the main pillars of the work environment at "Al Tijaria".

Summary of policies and mechanisms for reducing conflicts of interest

- The Commercial Real Estate Company follows conservative policies to limit conflicts of interest, whether at the level of executive management and company employees or at the level of board members;
- The company established conflict of interest policy, which was approved by the Board of Directors.
- The company is committed to having members of the Board of Directors, executive management and employees sign conflict of interest declarations in accordance with the relevant forms.

Policies regarding conflicts of interest include the following:

- **Company obligations:**
 1. The company is committed to effectively managing and addressing potential conflicts of interest cases to ensure the actual implementation of operational and administrative processes and ensuring that all conflicts of interest cases are discovered and dealt with in a timely manner.
 2. The company is committed that none of its stakeholders will obtain any advantage through its dealings in contracts and deals that fall within the company's normal activities.
 3. The company determines a clear mechanism for awarding contracts and deals of various types, through tenders or various purchase orders.
 4. This policy applies to the company and its subsidiaries and to the Board of Directors and Executive Management, in a manner that does not violate the company's rules and standards of professional conduct in cases where a conflict of interest affects the interests of the company, stakeholders, and related parties.
 5. The Compliance and Governance Department is responsible for informing the Board of Directors, the Executive Management and various departments of the company of any decisions, laws or instructions regarding cases of conflict of interest and procedures for dealing with them.
- **Board of Directors' obligations:**
 1. The Board of Directors is committed to the company's responsibility for following the best standards of professional conduct and appropriate mechanisms to avoid or limit the occurrence of conflicts of interest, and to review cases of potential interests related to any member of the Board of Directors and determine procedures for dealing with them.
 2. Members of the Board of Directors and Executive Management are responsible for adhering to this policy while participating in transactions, contracts, or private investments for their personal account, whether with the company or others.
 3. A member of the Board of Directors is obligated not to be a member of more than five public joint stock companies based in Kuwait, or a Chairman of the Board of Directors in more than one joint stock company based in Kuwait, and his violation of this condition will result in the invalidation of his membership in companies that exceed the prescribed number according to the recentness of his appointment therein; the consequences that result from that, without prejudice to the rights of third parties in good faith. In the event of a violation of this condition, he is obligated to return to the company in which his membership has been revoked any rewards or benefits that he may have obtained.
 4. A member of the Board of Directors is committed not to exploit the information that he has accessed or viewed by virtue of his position for his personal benefit or to obtain a benefit for himself or for others, and not to make any kind of disposition in the shares of the Commercial Real Estate Company throughout the duration of his membership except after obtaining the approval of the Capital Markets Authority with his knowledge of the rules that regulate the trading of board members in the company's shares and the method of disclosing thereof.
 5. A member of the Board of Directors is obligated not to disclose to shareholders other than the General Assembly meetings or to third parties what he has learned of the company's secrets by virtue of his position. Otherwise, he must be removed and held accountable for compensation for damages resulting from the violation. He must also not disclose information and data related to the company except in cases where it is permitted. For disclosure or according to legal requirements.
 6. A member of the Board of Directors is committed not to combine his membership in the Board of Directors of the Commercial Real Estate Company with any company competing with it in the same field or areas of activity, or to participate in any work that would compete with the company, or to trade for his own account or for the account of others in one of the branches of activity practiced by the company, otherwise it may demand compensation from him or consider the operations he carried out on his behalf as if they were conducted for the company's account, unless this is with the approval of the Ordinary General Assembly on all or some of the above.

7. A member of the Board of Directors is obligated to provide the Board of Directors Secret Service with an updated copy of the CV immediately if any amendment occurs.
8. A member of the Board of Directors is obligated not to have a direct or indirect interest in the contracts and transactions concluded with or on behalf of the company unless it is authorized by the Ordinary General Assembly. In this case, he is obligated to disclose the interest to the Board of Directors and abstain from voting.
9. A member of the Board of Directors is obligated not to participate in voting on the decisions of the General Assembly regarding the discharge of members of the Board of Directors from their management, or those related to a special benefit for the spouse, or first-degree relatives, or an existing dispute between them and the company.
10. A member of the Board of Directors is committed not to use the functional influence of the position to achieve a private interest or any personal gain for himself or others.
11. A member of the Board of Directors is obligated not to participate in discussing, expressing an opinion, or voting on any issues presented to the Board of Directors in which he has a direct or indirect common interest with the company.
12. A board member is obligated to disclose to the Board of Directors any common interests with the company, whether directly or indirectly.
13. A member of the Board of Directors is obligated to inform the Board of Directors of his personal interest in the business and contracts carried out on behalf of the company, and this notification shall be recorded in the minutes of the meeting. In this case, he is not permitted to participate in voting on the decision issued in this regard.
14. The company may not lend to any of the members of its board of directors, the CEO, their spouses, their relatives up to the second degree, or their affiliated companies, unless there is authorization from the ordinary general assembly of the company. Any action taken in violation of that shall not be carried out against the company, without prejudice to the rights of bona fide third parties.
15. The Board of Directors is committed to verifying that none of the potential parties exploits the company's assets and resources or the powers granted to them in transactions to achieve personal interests.
16. The Chairman of the Board of Directors shall inform the General Assembly when it convenes of business and contracts in which a member of the Board of Directors has a personal interest, and a special report from the auditor shall be attached to this notification.

- **Obligations of the executive management and company employees:**

1. Not engaging in any activities that might lead to a conflict between the company's interests and his personal interests.
2. Disclosure to the Chairman of the Board of Directors and to the Compliance, Governance and Risk Management Officer of any significant or influential stake in any company that supplies equipment or services to the company whether for himself, his wife, or his first- and second-degree relatives, the relevant committee and the Board of Directors will be informed to take the necessary action. He also pledges to adhere to the policies of transactions with related parties, conflicts of interest, and the instructions of the regulatory authorities in this regard.
3. There is no direct or indirect interest that conflicts with the company's interests in the contracts and deals concluded with the company or for its account, whether for himself, his wife, or his first- or second-degree relatives.
4. In the event of appointing, promoting or rewarding any employee, complete impartiality must be considered in the event of a connection or relationships linking the decision maker to the employee and under the supervision and control of a neutral party or by the competent committee in accordance with the policies followed and approved by the Board of Directors. The company defines the term "Close Personal Relationships" as including first- and second-degree kinship and any other relationships that may affect the employee's ability to make impartial decisions while exercising the duties assigned to him in the company.
5. Knowing that Al-Tijaria's policy prohibits employees from accepting paid/unpaid jobs with any other company, as the employment contracts with the company document this prohibition, the violation of which would expose the violating employee to strict disciplinary procedures, including termination of service. Also to obtain the approval of government agencies or competent authorities before recruitment of part-time employees.

Seventh Rule - Ensure Timely and High Quality Disclosure and Transparency

Accurate and transparent presentation and disclosure mechanisms and policies that define aspects, areas and characteristics of disclosure

1. Al-Tijaria adopts a policy of disclosure and transparency by its Board of Directors and Executive Management towards shareholders and stakeholders on the one hand and towards the concerned and regulatory authorities in compliance with the laws and regulations followed in the State of Kuwait on the other hand through:
 - Incorporating methods for disclosing financial and non-financial information and data related to the company's financial position, performance, and ownership, through appropriate disclosure channels, in a way that helps stakeholders gain a comprehensive understanding of the company's situation.
 - Disclosing all information and data with utmost transparency and in a timely manner to all stakeholders without discrimination, ensuring that the data and information are accurate, correct, and not misleading.
 - Implementing mechanisms that classify disclosed information according to its nature (financial information, non-financial information), or according to the frequency of its disclosure, in addition to essential information.
 - Disclosure of Essential Information
 - Disclosure of interests for both beneficiaries and listed companies.
 - Disclosure of interest to the Board of Directors and abstention from voting.
 - Maintaining a register containing all disclosed transactions with related parties. Shareholders have the right to obtain a copy of this register.
 - Compliance with the Executive Regulations of the Authority and the provisions of Book Ten, "Disclosure and Transparency," and its related appendices. To this end, a Disclosure & Transparency Policy has been prepared and approved by the Board of Directors.
2. Enhancing the transparency that creates an atmosphere of trust and reassurance internally and externally and ensures the elimination of conflicts of interest with relevant parties that ensures clear communication between shareholders, the Board of Directors and Executive Management, and creating an effective climate of credibility in the work environment, which is a responsibility borne by all parties.

Record of disclosures of members of the Board of Directors, Executive Management & Managers

- The company maintains a special register that includes the following:
 1. Disclosures by members of the Board of Directors, the Executive Management, and managers. This register is monitored by the Compliance and Governance Department.
 2. All data related to bonuses, salaries, incentives, and other financial benefits granted directly or indirectly by the company or its subsidiaries. This register is monitored by the Accounting Department.

All shareholders of the company have the right to access this register during the company's normal working hours without any fee or charge. The company is also committed to updating the data in this register periodically to reflect the true situation of the related parties.

Duties and Responsibilities of the Shareholder Affairs Section

The Shareholder Affairs section of Al-Tijaria is responsible for making available and providing the necessary information to shareholders regarding shareholder records, as well as maintaining a copy of the company's shareholder register and following up on updates to the register with the Kuwait Clearing Company to update shareholder information of the company. The Shareholder Affairs Section is the entity entrusted with providing information to shareholders in many ways by responding to their inquiries in a transparent manner. The Section also follows up on the delivery of all financial dues to shareholders by the easiest means and makes sure to invite the company's shareholders to attend the yearly general assemblies.

The company's Investor Relations Unit is responsible for providing potential investors with the necessary data, information, and reports. This unit enjoys appropriate independence, enabling it to provide timely and accurate data, information, and reports through established disclosure channels, including the company's website. This is done to ensure services comply with regulatory guidelines. The unit is committed to holding a quarterly analysts' conference within five days of issuing the interim or annual financial statements. The invitation to the analysts' conference will be included in the disclosure of the interim and annual financial statements submitted to the Capital Markets Authority and the Kuwait Stock Exchange. The minutes of the conference will be published in both Arabic and English within three days of the conference date, along with the conference presentation. The minutes will also disclose whether or not any material information was disclosed during the conference. In this case, that information must be disclosed on the stock exchange's website no later than 40 minutes before the next trading session following the conference.

Develop the infrastructure of information technology to rely on in the disclosure process

Material information is disclosed by the company through the Authority's XBRL-based electronic disclosure system (IFSAH Disclosure System). Disclosure is also made through Bursa Kuwait website (CIP System) in accordance with the relevant forms. Disclosure is also made on the company's website after the disclosure is published on Bursa Kuwait.

The company relies on and expands its use of information technology to communicate with shareholders, investors, and stakeholders. This is achieved through a dedicated section on the company's website, which falls under the umbrella of governance and investor relations. This section displays all up-to-date information and data that helps shareholders, current investors, and potential investors exercise their rights and evaluate the company's performance.

The company's official website contains everything of interest to shareholders and potential investors, as it includes the following sections:

A. Corporate governance, which includes the following topics:

- Committees emanating from the Board;
- Shareholders' rights;
- Stakeholders;
- Internal control environment;
- Disclosure and transparency;
- Code of Business Ethics;
- Social responsibility;
- Sustainability report;
- Reporting violations;
- Sustainability - Environment, Society and Governance.

B. Investor Relations, which includes the following topics:

- Disclosures
- Share data
- Shareholder affairs
- Investor Relations Unit
- Our investments
- Annual reports
- Sustainability report
- Financial ratios and indicators
- Financial Statements
- Analysts Conference

Eight Rule - Respect the Rights of Shareholders

Requirements to define and protect the general rights of shareholders

- The company's articles of association and internal regulations include the necessary procedures and controls to ensure that all shareholders exercise their rights fairly and equally, in accordance with applicable laws, regulations, decisions, and instructions issued in this regard.
- The company is committed to treating all shareholders holding the same type of shares equally and without any discrimination. Under no circumstances will the company withhold any of the rights mentioned below from any class of shareholders, nor will it establish criteria that discriminate between classes of shareholders in granting these rights, provided that this does not harm the company's interests or conflict with the law, these bylaws, and any instructions or regulatory controls issued thereunder.
- The general rights of shareholders include:
 1. Recording the value of their shareholding in the company's records.
 2. Disposing of shares, including registering, transferring, and/or converting ownership.
 3. Receiving their allocated share of dividends.
 4. Receiving a share of the company's assets in the event of liquidation.
 5. Receiving data and information related to the company's activities, operational strategies, and investment plans in a regular and accessible manner.
 6. Monitoring the company's overall performance and the actions of the board of directors in particular.
 7. Holding board members or executive management accountable and filing liability claims in the event of their failure to perform their assigned duties.
 8. The right to participate in general assembly meetings and vote on resolutions.
 9. The company must obtain its financial statements for the preceding accounting period, the Board of Directors' report, and the auditor's report at least seven days prior to the Ordinary General Assembly meeting.
 10. No fees shall be imposed on any shareholder category for attending the General Assembly meetings, nor shall any preferential treatment be granted to any shareholder category over others.
 11. Informing shareholders of all rules governing voting procedures and providing all information related to voting rights to all current and prospective shareholders and investors on an ongoing basis.
 12. Electing and removing members of the Board of Directors in accordance with applicable laws.
 13. Amending the company's Articles of Association.
 14. Approving any sale, purchase, or disposal of company assets if their value reaches 50% or more of the total value of the company's assets.
 15. Shareholders holding 5% of the company's capital have the right to add items to the agenda of the General Assembly meetings.
 16. Establishing a mechanism to provide profiles of board members before voting, thus giving shareholders a clear understanding of their professional and technical skills, experience, and other qualifications.
 17. Participating in the company's management by running for board membership, attending general assemblies, participating in discussions, and voting on resolutions, in accordance with the provisions of the law, the articles of incorporation, and the bylaws.
 18. Shareholders representing 25% of the issued capital have the right to request the replacement of the auditor during the fiscal year.
 19. Shareholders owning 5% of the company's capital may request the Ministry to appoint an auditor to conduct an inspection of the company regarding any violations they attribute to the manager, board members, auditor, or CEO in the performance of their duties, provided they have grounds to justify this request.

Record of shares with the Kuwait Clearing Company in order to continuously monitor the shareholders' data

- The shareholder register is kept at the "Maqasa", which is updated regularly with each change. It can be accessed through direct contact and request from the "Maqasa" administration in accordance with the contract concluded between "Al-Tijaria" and "Maqasa". In addition, "Al-Tijaria" maintains updated records of the names of its shareholders. The number of their shares, their ownership percentages, their identification numbers, and their contact information through the Shareholder Affairs Department. Any interested party may request the company or the clearing agency to provide him with data from this register.
- The company allows shareholders to access the shareholders' register, and the data contained therein is
- handled with the utmost protection and confidentiality, in accordance with the law and any instructions and regulations issued by the Authority.

Encouraging shareholders to participate and vote in general assembly meeting and follow up on the company's activities

Al-Tijaria encourages all categories of shareholders to attend, participate and vote in the general assembly meeting. The General Assembly is held at the invitation and presence of the shareholders. It is considered the highest authority in the company. The General Assembly elects and appoints the Board of Directors, which is entrusted with the tasks of acting on behalf of the shareholders to protect their interests and achieve the company's goals and aspirations. The Board of Directors is committed to the following:

- Urging the shareholders to attend the general assembly meeting, at the time and place specified in the articles of incorporation and articles of association or the company's board of directors, so that the date and place of the meeting is arranged to facilitate and encourage them to attend.
- Each topic presented in the agenda of the ordinary or extraordinary general assembly shall be accompanied by a sufficient explanation and sufficient review of all its aspects to enable the shareholders to take their decisions based on the information provided to them, in a sound and thoughtful manner, and not merely to complete the formal aspects of the meeting.
- The general assembly is managed in a way that allows the shareholders to express their opinions.
- Each shareholder has a number of votes equal to the number of his shares. Resolutions are issued by an absolute majority of the shares represented. The Company guarantees the opportunity for all shareholders to exercise the right to vote without placing any obstacles that lead to a ban on voting, as follows:
 1. All shareholders enjoy the same voting rights granted to them and the same treatment by the company, regardless of their ownership shares.
 2. The shareholder has the right to vote personally or by acting proxy, with the same rights and duties in both cases.
 3. Informing the shareholders of all the rules governing voting procedures before the start of the assembly.
 4. Providing all voting information to all current shareholders and prospective investors, while ensuring that this information is provided on a continuous and permanent basis for all classes of shareholders.
 5. All categories of shareholders who own the same type of shares have the right to vote on any changes related to shareholders' rights by calling for a meeting of the General Assembly of Shareholders.
 6. Voting to select the members of the Board of Directors is held in the General Assembly through the mechanisms stipulated in the company's articles of incorporation and articles of association and within the framework of what is stipulated in the Companies Law and its Executive Regulations and Book Fifteen of the Executive Regulations of the Capital Markets Authority, taking into account what is included in the Companies Law regarding permission to follow cumulative voting system in this regard, considering that this is one of the best governance practices. This is in addition to developing a mechanism that allows providing an introductory overview of the candidates for membership in the Board of Directors and the capacity on which he wishes to nominate himself (executive/non-executive/independent) before voting, which gives shareholders a clear idea of the candidates' professional and technical skills, experience, and other qualifications.

7. All classes of shareholders can hold the Board of Directors accountable for the tasks assigned to them.
8. No fees are imposed for the attendance of any class of shareholders at the General Assembly meetings, nor is any preferential advantage given to any class over other of shareholders.
9. The candidate, as an independent member, must submit a declaration to Ministry of Commerce and Industry acknowledging that he meets the independence controls stipulated in this Letter.
10. If it is not possible to obtain the minimum required number of independent members of the Board of Directors through the elections of Board members at the General Assembly meeting, the required number will be met by replacing the non-independent members of the Board of Directors who received the least votes with independent members through a separate election process from among the non-winning candidates in this category, provided that the replacement process takes place at the same meeting.

In the event that the members of the Board of Directors are appointed in accordance with the provisions of Article (188) of Law No. 1 of 2016 issuing the Companies Law, shareholders who have representatives on the Board of Directors may participate with other shareholders in electing the remaining independent members of the Board of Directors within the limits of what exceeds the percentage used to appoint representatives to the Board of Directors.

Electronic system for EAGM participation:

It is the electronic system provided by the Kuwait Clearing Company for listed companies to enable shareholders of these companies to participate in the General Assembly without the need for these shareholders to attend in person, and their participation is counted within the quorum for attending and voting in the General Assembly.

Ninth Rule- Recognize the Roles of Stakeholders

Acknowledging the rights of stakeholders

Al-Tijaria adheres to governance standards and the laws and regulations issued by regulatory bodies regarding respect for and protection of stakeholders' rights, such as the Labor Law, the Companies Law and its implementing regulations, in addition to the contracts concluded between the parties. Protecting stakeholders' rights under internal laws, regulations, and policies provides them with the opportunity to obtain effective compensation in the event of any violation of their rights.

The Company recognizes the rights of its stakeholders within its corporate governance practices and works to encourage cooperation between the company and its stakeholders in numerous areas. Stakeholder contributions are a vital resource for building the company's competitiveness and enhancing its profitability.

Protecting Stakeholder Rights

- The company has adopted a Stakeholder Rights Policy through its Board of Directors.
- The company's policy includes specific mechanisms, namely:
 1. Treating all stakeholders fairly and ensuring that board members, related parties, and other stakeholders are treated equitably without any discrimination or preferential treatment.
 2. No stakeholder receives any preferential treatment in contracts and transactions carried out within the company's ordinary business activities.
 3. The company's commitment to the contracts concluded with stakeholders, which guarantee that each party receives appropriate and suitable compensation in accordance with the provisions of those contracts and applicable laws.
 4. Developing mechanisms for employee participation in performance improvement through an open-door policy and continuous performance evaluation and development.
 5. Allowing stakeholders, both individuals and their representatives, to freely contact the Board of Directors or the Executive Management to express any unethical practices they encounter by the company and their concerns regarding any illegal or unprofessional conduct, without prejudice to or infringement of their rights should they do so, while providing appropriate protection for those making such reports.
 6. Procedures have been established to regulate the relationship with clients and suppliers and a mechanism for maintaining the confidentiality of related information. This is done through the relevant departments, where the company has entered into non-disclosure agreements with suppliers and customers.
 7. The company is always keen to address the concerns and complaints of its stakeholders by improving communication with all stakeholders and addressing and responding to customer complaints in a timely manner.

Encouraging stakeholders to participate in following up on the company's activities

The company has established mechanisms and frameworks to ensure maximum benefit from stakeholder contributions and encourage their participation in monitoring its activities, in a manner that best serves its interests. This is achieved through the following:

1. Providing information and opportunities to access it regularly and in a timely manner through interim financial statements, ongoing disclosures, and adherence to a policy of transparency.
2. The company also provides stakeholders with access to information and data related to their activities, enabling them to obtain, refer to, and rely on this information promptly and regularly.
3. Stakeholders are shared with information and data related to the company's activities through electronic announcements inviting them to attend and participate in these activities and events at the appropriate time. Stakeholders are also given the opportunity to share their opinions and suggestions in various areas of development and improvement.
4. Establishing appropriate mechanisms to facilitate stakeholders reporting any improper practices they encounter by the company to the company's board of directors, while providing suitable protection for those making the reports. The company's website offers direct communication channels for reporting such violations (Whistle blowing).

Tenth Rule - Encourage and Enhance Performance

Mechanisms for Board Members and Executive Management to receive Regular Training Programs and Courses:

1. The company prioritizes the ongoing training and development of its board members and executive management, believing this to be a cornerstone of good governance and a significant contributor to enhancing company performance. This is achieved by ensuring that both the board and executive management fulfill their assigned tasks and responsibilities to the fullest extent.
2. The company provides ongoing training and development for its board members and executive management to help them gain a comprehensive understanding of all topics related to the company's activities. This ensures they are up-to-date with the latest developments in relevant administrative, financial, and economic fields, in addition to developing their strategic planning skills to meet the company's needs and achieve its objectives.

First: Performance Development Mechanisms for Board Members and Executive Management:

- The company has adopted a training policy for board members and executive management.
- The training policy includes the following:
 1. Orientation programs for newly appointed members to ensure they have a proper understanding of the company's operations and processes, which include, at a minimum:
 - A. The company's strategy and objectives.
 - B. The financial and operational aspects of all the company's activities.
 - C. The legal and regulatory obligations of the board members and the company.
 - D. Their responsibilities and duties, as well as the powers and rights available to them.
 - E. The role of the Board Committees.
 2. Training programs for current board members and executive management, relevant to the company's operations and the roles of board members, to develop their skills and expertise and keep them abreast of developments in a way that helps them perform their assigned tasks.

Second: Mechanisms for Evaluating the Performance of the Board of Directors and Each Board Member and Executive Management:

The company has adopted a policy for evaluating the performance of the Board of Directors, committees, members, and executive management, which includes:

1. Systems and mechanisms for evaluating the performance of each member of the Board of Directors and executive management on an annual basis. This is achieved through establishing a set of performance indicators linked to the extent to which the company's strategic objectives are achieved, the quality of risk management, and the adequacy of internal control systems. The performance evaluation and measurement procedures are clearly and transparently documented and disclosed to all employees.
2. Establishing objective Key Performance Indicators (KPIs) to evaluate the Board of Directors as a whole, the contribution of each Board member and each of its committees, and the performance of executive managers on an annual basis, in addition to identifying strengths and weaknesses and proposing solutions in accordance with the company's best interests.
3. Performance indicators are qualitative and quantitative.

The Corporate Values - Company Methodology

The Corporate Values

The Board of Directors works to create values within the company in the short, medium and long term, by establishing mechanisms and procedures that work to achieve the company's strategic objectives and improve performance rates, which effectively contributes to creating institutional values among employees and motivates them to continuously work to maintain Company finances safety.

Vision

Providing the highest level of excellence and enriching the real estate market in the State of Kuwait and expanding to the world through distinctive real estate designs and high-quality standards and the adoption of governance and our experts in the company as essential elements to maximize the wealth of our shareholders.

Message

Developing a business strategy to reach the optimal income to achieve growth rates, returns and stable cash flows, of which in turn increase the value of each project to provide the best results for shareholders and stakeholders, in addition to acquiring high-quality assets and maintaining the balance and diversity of real estate portfolios in the local, regional and global markets.

The Strategy

- Reconciliation of allocated budget and deadlines.
- Maintain maximum occupancy rates and rent collection.
- Make every effort to develop performance and achieve the desired goals to ensure the interest of shareholders and achieve growth in their rights.
- Maximizing the company's share in providing real estate services and facilities management.
- Commitment to periodic maintenance.
- Maintain a low financing cost commensurate with the financial strategy of the business.
- Maintain high quality and low risk of the project by applying best practices.
- Ensure that recent market studies are carried out as an indicator for monitoring local and global trends and financial markets.
- Provide effective internal training platforms in order to retain highly experienced employees.
- Provide a suitable workplace and environment for employees and clients.
- Maintaining an innovative work environment.
- Ensure that the 5T's form is applied.
- Developing the company's real estate according to the applicable building regulations and systems to achieve the highest rates of safety and optimum return.
- Obtaining and maintaining international certificates to comply with international standards.

Future Plan

The Commercial Real Estate Company (Al-Tijaria) is keen to continue diversifying its real estate investments, both in terms of sectors and markets, especially in light of the economic conditions, circumstances and changes that the world in general and the Middle East in particular is going through by maintaining investments with profitable operational returns in the local market and the politically and economically stable markets and work on its development, with continuous and diligent follow-up of economic conditions and changes and the extent of their repercussions on the markets so that the company's plans and strategies are updated and amended at the appropriate time, in parallel with the support and development of third party property management and the provision of utility services to ensure the provision of distinguished services to the company's clients.

Optimum income

Implementing an active internal mechanism to ensure optimal profitability of commercial assets through effective management of assets and resources to enhance the optimal income of the company's assets and obtain good returns to ensure cash distributions, knowing that the percentages of returns and distributions are subject to increased revenues and profitability.

Values

- 5T's Model: Time Management, Trust, Transparency, Teamwork, Task Awareness.
- Sustainability: Al-Tijaria runs its business to serve the welfare of our economy, our shareholders and stakeholders by preserving revenues and driving prosperity.
- Innovation: We are committed to continually enhancing our services by embracing creativity and encouraging the pursuit of new opportunities.
- Integrity: Honesty is an essential part of our business conduct and how we deal with stakeholders, customers and tenants.
- Governance: It is the conscience of every person as it grows and matures to the stage of compliance with the laws and instructions issued by the company and the regulatory authorities, and its positive impact is reflected on the personal and professional levels.
- Ethics: respect for work and colleagues and discipline.

Integrated Reporting Systems

- Integrated reporting systems are an effective tool in achieving the company's strategic objectives and, consequently, creating corporate value. Therefore, the company is continuously developing its internal integrated reporting systems to become more comprehensive. This helps both the board of directors and executive management make systematic and sound decisions, thereby achieving shareholder interests.
- The Finance and Strategic Planning Manager prepares the Integrated Reporting Systems report in coordination with the Risk Management Department and submits the report annually to the CEO. It is then presented to the Audit and Risk Committee and the Board of Directors to review the progress of operations and make decisions based on a clear vision and accurate, up-to-date information.
- The Board of Directors adopted the Corporate Values Policy and Integrated Reporting Systems.

Our Values and Principles

we
BELIEVE IN THE
5T's
OUR RECIPE FOR SUCCESS



مع خالص تحياتي
With my best regards
عبدالفتاح معرفي
Abdulfatah Marafie

Eleventh Rule - Focus on the Importance of Corporate Social Responsibility

Achieving a balance between the company's goals and society's goals

Under the slogan "We Care", Al-Tijaria works to contribute to social responsibility initiatives in implementation of its strategic objectives, as it launches programs and social activities on a permanent and continuous basis.

Al-Tijaria's interest in social responsibility has grown in the past years until it has become one of the basic performance criteria, especially since the company believes that social responsibility is no longer a matter of volunteering to help the community, but rather has become an essential for long-term success through various activities (charitable, cultural, scientific, health, environmental and social) based on the principle of commitment and dealing in accordance with the teachings and provisions of the tolerant Islamic Sharia, which urges dealing in accordance with the best standards and within the frameworks of social solidarity.

Board of Directors has developed a social responsibility policy, through which it ensures achieving a balance between both the company's objectives and the objectives of society.

Standards for implementing the social responsibility policy in Al-Tijaria

The success of the commercial real estate company in carrying out its role of social responsibility depends on giving sufficient attention to the concerns of society and the environment, and considering the three dimensions of sustainable development: economic growth, social progress, and environmental protection, by adhering to the following standards:

1. Respect and responsibility, meaning the company's respect for the internal environment (employees), and the external environment (community individuals).
2. Supporting and assisting the community, improving the living, social, and economic conditions of the workforce and the community, and making optimal use of resources.
3. Protecting the environment by taking the initiative to provide what serves the environment, improves the environmental conditions in the community, and addresses environmental problems of all kinds, such as (health and education) in line with the projects and activities practiced by the company.
4. The company has developed an Environmental, Social and Governance (ESG) sustainability policy and issues a sustainability report annually.

Programs and mechanisms used that help highlight the company's efforts in the field of social work.

Al-Tijaria has developed a set of programs and mechanisms that ensure the continuity of implementing social responsibility policies on a permanent basis and in accordance with organized and consistent mechanisms where:

1. An annual plan approved by the Board of Directors for all contributions, events and activities during the year shall be developed.
2. An annual allocation to implement the social responsibility plan shall be approved.
3. Continuous supervision by the Governance & Sustainability Committee of the implementation of the social responsibility plan shall be fulfilled.
4. Periodic reports to the Governance Committee on the activities implemented, in addition to a periodic news publication explaining the events carried out by the company and the nature of contributions shall submitted.

Social Responsibility Programs and Events

Sponsoring Graduation Projects – Kuwait University (Faculty of Engineering)

As part of its commitment to empowering youth and supporting sustainable development, the company sponsors graduation projects for students at the College of Engineering at Kuwait University. This sponsorship provides ongoing financial support throughout the year, enabling students to develop innovative and practical solutions and enhance their technical capabilities. This initiative reflects the company's dedication to investing in national talent and contributing to long-term socio-economic growth within the framework of Economic, Social, and Governance (ESG).



Participation in the Internship Fair- INJAZ Kuwait 2025

Al Tijaria Real Estate Company participated as a sponsor and supporter of the Internship Opportunities Fair 2025, organized by Injaz Kuwait. The fair served as a platform connecting students with organizations from both the public and private sectors. The company's participation aimed to introduce students to practical training opportunities and facilitate their transition from academic studies to the labor market through structured internship programs that enhance professional competencies and job readiness. This initiative contributes to empowering youth, developing their capabilities, and supporting the sustainability of the local labor market.



Sponsorship of the "Most Sustainable Product or Service" Award – INJAZ Kuwait

In support of innovation and sustainable entrepreneurship, Al Tijaria sponsored the "Most Sustainable Product or Service" Award as part of the Company Program organized by Injaz Kuwait for high school and university students. Through this sponsorship, students were encouraged to develop innovative solutions that consider environmental and social dimensions while enhancing their understanding of sustainability principles in entrepreneurial practices. The initiative aligns with Kuwait Vision 2035 and supports the achievement of the United Nations Sustainable Development Goals, contributing to the development of a more sustainable future.



"In Arabic is Better" Initiative

The company launched the third edition of the "In Arabic is Better" initiative under the slogan "Let's Read Together" at the Symphony Mall, aiming to instill national values and strengthen Arab and Islamic identity among children and youth. The initiative includes educational activities and events designed to develop Arabic language skills such as reading, writing, and public speaking, in addition to literary competitions, interactive workshops on poetry and short stories, and educational seminars to enhance understanding of Arab and Islamic culture. The initiative is also being implemented in partnership with cultural institutions, which contributes to achieving a broad positive impact that strengthens the connection of emerging generations to their language, heritage and cultural identity.



Social Responsibility Programs and Events

“Ishraqat Amal” Festival

The “Ishraqat Amal” Festival, held annually for the tenth consecutive year, aims to highlight the creativity of people with disabilities in various fields, such as drawing, music, crafts, and sports. The festival is held in collaboration with schools and institutions for people with disabilities, providing students with the opportunity to showcase their talents to a wide audience and promote their integration into society. The festival honors participants with incentive prizes, in addition to organizing workshops aimed at developing their skills and boosting their self-confidence, contributing to supporting their creative journeys and celebrating their unique abilities.



“Ishraqat Amal” Art Exhibition

As a continuation of the festival, the company organized the “Ishraqat Amal” Art Exhibition in the lobby of the Symphony Style Hotel, Salmiya, over 3 days as a specialized platform to display and sell artwork by people with special needs, in support of economic empowerment, enhancing self-confidence and comprehensive cultural participation.



“Donate a toy... Share the Joy” Campaign

Al Tijaria Real Estate Company launched the sixth edition of its “Donate a Toy... Spread Joy” campaign, aimed at collecting toys and school supplies for donation to children from underprivileged families across Kuwait. The campaign was held over a four-week period at Boulevard Mall and The Dome Mall.. The initiative sought to bring happiness and joy to underprivileged children and brighten their lives through community support. It also encouraged parents to instill the values of generosity, compassion, and altruism in their children by teaching them the importance of sharing the blessings they have received with those in need.



“Plant a Tree in My Country – we want it Green” Campaign

The Ninth Edition of the “Plant a Tree in My Country” 2025 campaign was launched to plant trees in Boulevard Park in collaboration with volunteers, schools, and private companies in Kuwait. This initiative aims to encourage citizens and residents of Kuwait to create a greener environment, increase oxygen levels, and inspire them to launch similar initiatives, thus setting a good example for neighboring countries and the rest of the world to follow in the long term.



Blood Donation Campaign

Under the slogan “We Care,” Al-Tijaria Real Estate Company organized the “Blood Donation” campaign in the Symphony Style Mall, the Boulevard Mall, and the Al-Tijaria Tower. The campaign aims to save a life through blood donation. Cooperation took place with the Central Blood Bank of Kuwait over a period of three days, and many employees of the Commercial Real Estate Company and many visitors of commercial malls participated in donating blood.



Beach Clean-Up Campaign

Demonstrating its strong commitment to environmental sustainability and community engagement, Al Tijaria Real Estate Company proudly participated in the Kuwait Towers Beach Clean-Up Campaign in collaboration with Spread the Passion Organization. The initiative aimed to combat marine pollution by collecting waste along the beach and educating the public on the importance of preserving coastal environments. The event saw the active involvement of a large number of volunteers, including the Governor of the Capital, Sheikh Abdullah Salem Al-Ali Al-Sabah, whose presence helped emphasize the importance of environmental action. Through this meaningful contribution, Al Tijaria reinforced its role in supporting national environmental efforts and promoting a culture of responsibility toward a cleaner, greener future.



Visit to the National Bank Children’s Hospital

Al-Tijaria is keen to provide psychological and social support to children with cancer by organizing a special visit to the National Bank Children’s Hospital. The visit includes educational and recreational activities, such as interactive science shows, art workshops, and group games, helping to bring joy to the children’s hearts and alleviate their suffering. At the end of the visit, symbolic gifts were distributed to the children to spread joy and enhance their hope, as part of the company’s commitment to its social responsibility toward the most vulnerable groups in society.



Related Party Transactions Report

Dear Shareholders,

Related parties include members of the board of directors, senior management, executive management, and major shareholders of the real estate company, its subsidiaries and affiliates, and companies in which members of the board of directors, senior management, and executive management of the parent company hold major shares or can exert effective influence or joint control. The pricing policies and terms of these transactions are approved by the parent company's management according to specific criteria.

The following are the most significant transactions and balances with related parties during the year 2025.

Transactions	K.D
Key management remuneration	1,197,150
Operating Income	94,180
Other revenues	15,527
Operating & capital expenditure and other changers	1,224,880
Payment of acquisition of investments	434,455
Purchase for additional share of associates	118,088
Balance	K.D
Receivables and other debit balances	12,220
Payables and other credit balances	109,156
Key management remuneration	698,381

It is expected that 2026 will witness transactions with related parties in the interest of the company.

Agenda of the Ordinary General Assembly for the fiscal year ending on 31/12/2025

1. Discussing and approving the report of the Board of Directors for the fiscal year ending on 31/12/2025.
2. Discussing and approving the report of the Sharia Supervisory Board, for the fiscal year ending on 31/12/2025.
3. Discussing and approving the report of the external Auditor for the fiscal year ending on 31/12/2025.
4. Reading of the governance report, the audit committee report for the fiscal year ending on 31/12/2025 and approving thereof.
5. Discussing the consolidated financial statements for the fiscal year ending on 31/12/2024 and approving thereof.
6. Reviewing any violations or penalties detected by the regulatory authorities or for which penalties were imposed on the company during the year 2025 (if any).
7. Reviewing the transactions that took place with related parties during for the fiscal year 2025 Authorization for transactions with related parties that will take place up to the date of the General Assembly meeting of the financial year ending on 31/12/2026 and approving thereof.
8. Discussing the Board of Directors' recommendation to distribute cash dividends at the rate of (3%) of the nominal value of the share (3 shares per each 100 shares) to the registered shareholders in the company's records at the end of the maturity date with the authorization of the Board of Directors to amend the schedule for share entitlements in case the schedule cannot be confirmed.
9. Discussing the proposal of the Board of Directors to deduct a compulsory reserve at the rate of (10%) of the net profits for the fiscal year on 31/12/2025 in the amount of (1.702.410/-) (One million seven hundred and two thousand and four hundred ten Kuwaiti dinars only).
10. Discussing of the Board of Directors' proposal not to deduct an optional reserve for the fiscal year ending on 31/12/2025.
11. Discussing of allocating an amount of (101.650/- KD) (one hundred one thousand and six hundred fifty Kuwaiti dinars only) as part of social responsibility.
12. Discussing the recommendation of the Board of Directors regarding the distribution of an amount of (128,000/-) KD (one hundred twenty-eight thousand Kuwaiti Dinars only) as a reward for the members of the Board of Directors for the fiscal year ending on 31/12/2025.
13. Renewing the authorization of the Board of Directors to buy or sell the company's shares not exceeding 10% of the number of its shares, in accordance with the articles of Law No. (7) of 2010 and its executive regulations and amendments thereof.
14. Disclaimer and release of the members of the Board of Directors from all matters related to their legal, financial and administrative actions for the fiscal year ending on 31/12/2025.
15. Allowing members of the Board of Directors to combine their membership in the Board of Directors of the Commercial Real Estate Company, and the membership of any of its subsidiaries and/or associates, and/or operating in the same activity as the company or any of its branches.
16. Appointing or reappointing the company's auditor from among those registered in the special register at the Capital Markets Authority, taking into account the mandatory auditor rotation period for the fiscal year ending on 31/12/2026 and authorizing the Board of Directors to determine their fees.
17. Appointing or re-appointing the Sharia Supervisory Board for the fiscal year ending on 31/12/2026 and authorizing the Board of Directors to determine their fees.

Agenda of the Extraordinary General Assembly of the Commercial Real Estate Company K.S.C.C. for the fiscal year ending 31/12/2025

1. Increasing the company's authorized, issued, and paid-up capital by a certain percentage through the distribution of bonus shares.
2. Amending certain articles of the Memorandum of Association and Articles of Association.

After obtaining the approvals of the regulatory authorities



Abdulfatah M. R. H. Marafie
Chairman of the Board

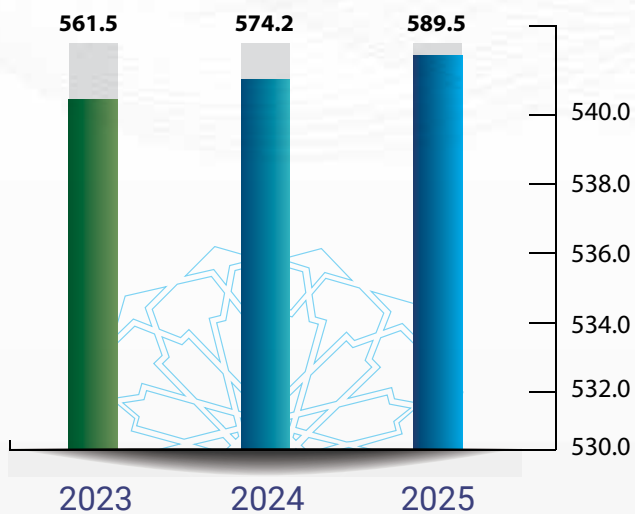


Financial Indicators:

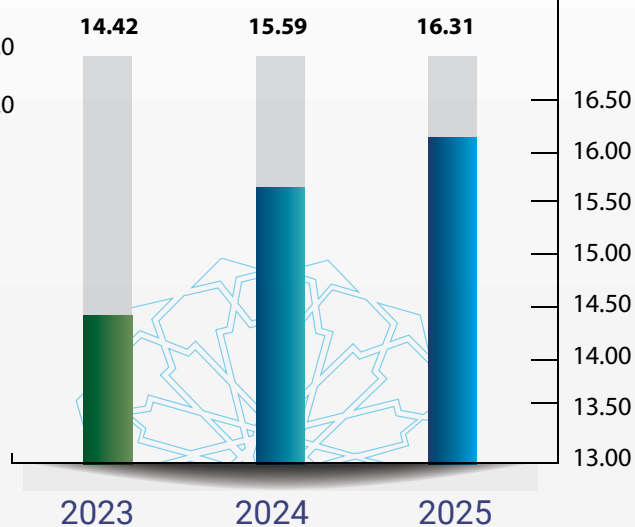
Financial Indicators			
Million Kuwaiti Dinars, excluding percentages	2025	2024	2023
Capital structure	189.59	184.07	184.07
Total assets	589.5	574.2	561.5
Shareholders' equity	299.7	296.3	291.4
Investments properties	374.7	369.2	369.1
Net profit	16.31	15.59	14.42
Net operating income	21.64	21.65	22.22
Return on average assets	3.08%	3.04%	2.87%
Return on average Shareholders' equity	5.44%	5.26%	4.95%
Return on capital	8.61%	8.47%	7.84%
Earnings per share (fils)	9.01	8.50	8.13

Financial Indicators

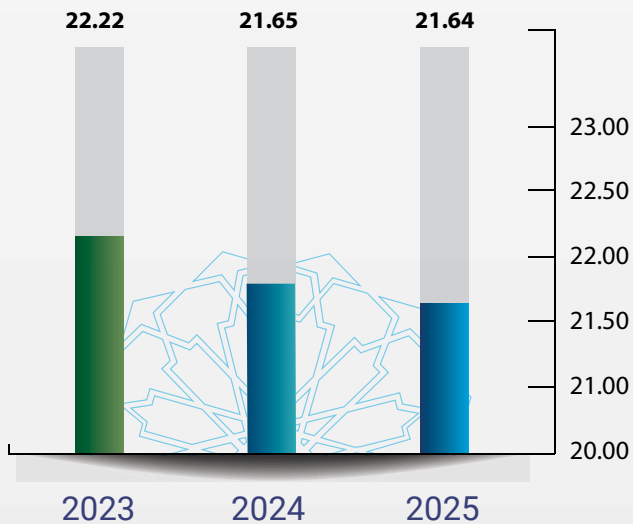
Total Assets (Million KD)



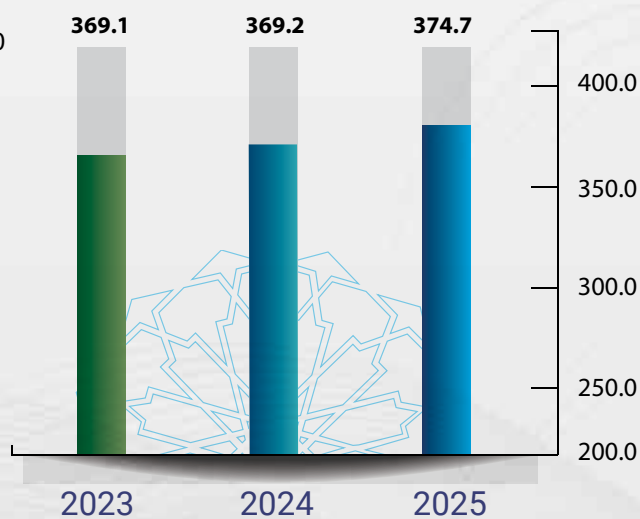
Net Profit (Million KD)



Net Operation Income (Million K.D)



Investment Properties (Million K.D)



Commercial Real Estate Company K.P.S.C.

And Subsidiaries - State of Kuwait

Consolidated Financial Statements and Independent
Auditors' Report For the year ended 31 December 2025

Contents	Page
Independent Auditor's Report	79 - 82
Consolidated Statement of Financial Position	83
Consolidated Statement of Income	84
Consolidated Statement of Comprehensive Income	85
Consolidated Statement of Changes in Equity	86
Consolidated Statement of Cash Flows	87
Notes to the Consolidated Financial Statements	88 - 120

Independent Auditor's Report to the Shareholders of Commercial Real Estate Company K.P.S.C.

State of Kuwait

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Commercial Real Estate Company K.P.S.C (the "Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of 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).

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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of consolidated financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with 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.



Independent Auditor’s Report to the Shareholders of Commercial Real Estate Company K.P.S.C. (continued)

State of Kuwait

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of investment properties</i></p> <p>The Group’s investment properties portfolio is carried at KD 374,700,296 in the consolidated statement of financial position and the net fair value loss recorded in the consolidated statement of profit or loss is KD 2,709,770.</p> <p>Investment properties are measured at fair value with any fair value gains or losses being presented in the consolidated statement of profit or loss.</p> <p>The determination of the fair value of these investment properties is based on internal and external valuations using discounted cash flows over the Group’s estimated holding period, income capitalization method and the sales comparable approach for the respective asset. The Group’s discounted future cash flows analysis and the assessment of expected remaining holding period and income projections on the existing operating assets requires management to make significant estimates and assumptions related to future occupancy levels, growth rates, rental rates and discount rates. Consequently, the valuation of investment properties is a key audit matter due to the significant judgments applied and estimates made. In addition, the existence of significant estimation uncertainty warrants specific audit focus in this area as any bias or error in determining the fair value could lead to a material misstatement in the consolidated financial statements.</p> <p>Refer to notes 2.3.3 and 6 in the consolidated financial statements for more information relating to this matter.</p>	<p>Our audit procedures included, inter alia, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process adopted by management to determine the fair value of investment properties, including the relevant controls in this process. • We evaluated the abovementioned relevant controls to determine if they had been appropriately designed and implement. • We assessed the external valuer’s independence, objectivity, competence and capabilities and read their terms of engagement with the Group to determine if the scope of their work was sufficient for audit purposes. • We agreed the total valuation in the external valuer’s report to the amount reported in the consolidated statement of financial position. • We tested the data inputs underpinning the investment property valuation for a sample of properties, including lease income, by agreeing them to supporting documentation to assess the reliability, completeness and accuracy of the underlying data. • We compared a sample of the valuations to our independently formed market expectations and challenged any differences. • Where we identified estimates that were outside acceptable parameters, we discussed these with the valuers and management to understand the rationale behind the estimates made. • We reperformed the arithmetical accuracy of the determination of recoverable amounts. • We assessed the disclosures made in the consolidated financial statements against the requirements of IFRS Accounting Standards.

Other Information

Management is responsible for the other information. The other information comprises all information included in the annual report other than the consolidated financial statements and our auditor’s report thereon. The annual report for the year 2025 is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the 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 Commercial Real Estate Company K.P.S.C. (continued)

State of Kuwait

Report on the Audit of the Consolidated Financial Statements (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 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 auditor's 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.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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.



Independent Auditor's Report to the Shareholders of Commercial Real Estate Company K.P.S.C. (continued)

State of Kuwait

Report on the Audit of the Consolidated Financial Statements (continued)

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

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

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, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the financial year ended 31 December 2025 that might have had a material effect on the business of the Group or on its consolidated financial position.

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. 7 of 2010, as amended, concerning establishment of Capital Markets Authority "CMA" and organisation of security activity and its executive regulations during the financial year ended 31 December 2025, that might have had a material effect on the business of the Group or on its consolidated financial position.

A handwritten signature in blue ink, appearing to read "Talal Y. Al-Muzaini", written over a horizontal line.

Talal Y. Al-Muzaini
Licence No. 209 A
Deloitte & Touche –Al-Wazzan & Co.

Kuwait, 10 March 2026

Consolidated Statement of Income for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar)

	Notes	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	5	20,471,981	20,694,306
Investment properties	6	374,700,296	369,222,820
Intangible assets	7	2,567,474	2,336,822
Investments in associates	8	59,898,792	47,324,814
Investments at FVOCI	9	52,874,686	57,573,786
		<u>510,513,229</u>	<u>497,152,548</u>
Current assets			
Land and properties held for trading	10	15,590,620	16,496,272
Investments at fair value through profit or loss	11	53,386,766	50,246,587
Receivables and other debit balances	12	7,170,880	7,217,520
Cash and cash equivalents	13	2,869,045	3,075,952
		<u>79,017,311</u>	<u>77,036,331</u>
Total assets		<u>589,530,540</u>	<u>574,188,879</u>
Equity and liabilities			
Equity attributable to the shareholders of the Parent Company			
Share capital	14	189,592,074	184,069,975
Share premium		1,308,384	1,308,384
Treasury shares	15	(13,662,003)	(7,956,969)
Statutory reserve	16	46,018,377	44,315,967
Voluntary reserve	17	29,296,785	29,296,785
Other reserve	18	(612,506)	1,279,425
Retained earnings		47,802,247	44,027,196
Total equity attributable to shareholders of the Parent Company		<u>299,743,358</u>	<u>296,340,763</u>
Non-controlling interests	26	24,686,653	24,051,891
Total equity		<u>324,430,011</u>	<u>320,392,654</u>
Liabilities			
Non-current liabilities			
Employees' end of service indemnity		1,433,888	1,256,231
Lease liabilities	6&7	2,119,238	2,253,331
Financing from financial institutions	19	234,236,301	199,692,648
		<u>237,789,427</u>	<u>203,202,210</u>
Current liabilities			
Payables and other credit balances	20	12,731,935	13,722,742
Financing from financial institutions	19	14,579,167	36,871,273
		<u>27,311,102</u>	<u>50,594,015</u>
Total liabilities		<u>265,100,529</u>	<u>253,796,225</u>
Total equity and liabilities		<u>589,530,540</u>	<u>574,188,879</u>

The accompanying notes form an integral part of this consolidated financial statements.



Abdul Fatah M.R. Marafie
Chairman



Adwan M. Al-Adwani
Vice Chairman

Consolidated Statement of Income for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar)

	Notes	2025	2024
Income from operating sectors			
Rental income of investment properties	21	27,341,119	26,908,263
Hotel's and hospitality revenues	21	4,339,987	4,127,076
Sale of land and properties held for trading	21&23	218,145	280,671
Total income		31,899,251	31,316,010
Property expenses		(6,473,381)	(6,088,722)
Hotel's hospitality expenses		(3,560,159)	(3,387,437)
Cost of sold lands	21&23	(228,813)	(187,677)
Total of costs		(10,262,353)	(9,663,836)
Net income from operating activities		21,636,898	21,652,174
Change in fair value for investment properties	6	2,709,770	(515,280)
Impairment of land and real estate held for trading		(54,263)	(324,914)
Gross profit		24,292,405	20,811,980
Share in associates' results	8	5,447,098	5,235,054
Gain from investments	22	5,392,128	8,365,725
Other income		79,558	554,866
Operating profit		35,211,189	34,967,625
Staff costs		(3,209,296)	(2,952,609)
Expenses and other charges		(1,569,744)	(1,490,908)
Reversal of provisions and impairment	24	152,601	115,054
Finance costs		(11,726,002)	(12,488,981)
Net profit before deductions		18,858,748	18,150,181
Kuwait Foundation for the Advancement of Sciences (KFAS)		(71,244)	(75,699)
National Labor Support Tax (NLST)		(426,436)	(402,832)
Zakat Expense		(83,934)	(99,392)
Board of directors' remunerations		(128,000)	(128,000)
Net profit for the year		18,149,134	17,444,258
Shareholders of the Parent Company		16,314,480	15,594,104
Non-controlling interests		1,834,654	1,850,154
		18,149,134	17,444,258
Earnings per share for Parent Company's shareholders (fils)	25	9.01	8.50

The accompanying notes form an integral part of this consolidated financial statements.

Consolidated Statement of Comprehensive Income for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar)

	2025	2024
Net profit for the year	<u>18,149,134</u>	<u>17,444,258</u>
Other comprehensive losses		
<i>Items that will not be reclassified subsequently to statement of income:</i>		
Change in fair value reserve of FVOCI investment	(6,422,360)	(3,882,380)
Group's share in associates' reserves	<u>4,034,937</u>	<u>2,777,075</u>
	<u>(2,387,423)</u>	<u>(1,105,305)</u>
<i>Items that may be reclassified subsequently to statement of income:</i>		
Foreign currency translation differences	<u>10,868</u>	<u>(168,728)</u>
Total other comprehensive losses	<u>(2,376,555)</u>	<u>(1,274,033)</u>
Total comprehensive income for the year	<u>15,772,579</u>	<u>16,170,225</u>
Distributed as follows:		
Shareholders of the Parent Company	14,339,739	14,421,255
Non-controlling interests	<u>1,432,840</u>	<u>1,748,970</u>
	<u>15,772,579</u>	<u>16,170,225</u>

The accompanying notes form an integral part of this consolidated financial statements.

Consolidated Statement of Changes in Equity for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar)

	Equity Attributable to Shareholders of the Parent Company							Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (Note 18)	Retained earnings		
Balance as at 1 January 2024	184,069,975	1,308,384	(8,539,935)	42,685,964	29,296,785	1,259,759	41,276,940	24,159,803	315,517,675
Net profit for the year	-	-	-	-	-	-	15,594,104	1,850,154	17,444,258
Other comprehensive expense for the year	-	-	-	-	-	(1,172,849)	-	(101,184)	(1,274,033)
Sale of investment at FVOCI	-	-	-	-	-	(139,016)	-	(427)	6,589
Cash dividend (Note 27)	-	-	-	-	-	-	(7,028,332)	-	(7,028,332)
In kind dividend from treasury shares (note 27)	-	-	3,791,038	-	-	1,020,817	(4,811,855)	-	-
Cash dividend of subsidiary to the non controlling	-	-	-	-	-	-	-	(1,033,490)	(1,033,490)
Acquisition of additional share in subsidiary (note 26)	-	-	-	-	-	-	480,310	(822,965)	(342,655)
Sale of treasury shares	-	-	1,284,168	-	-	310,714	-	-	1,594,882
Purchase of treasury shares	-	-	(4,492,240)	-	-	-	-	-	(4,492,240)
Transferred to reserve	-	-	-	1,630,003	-	-	(1,630,003)	-	-
Balance as at 31 December 2024	184,069,975	1,308,384	(7,956,969)	44,315,967	29,296,785	1,279,425	44,027,196	24,051,891	320,392,654
Balance as at 1 January 2025	184,069,975	1,308,384	(7,956,969)	44,315,967	29,296,785	1,279,425	44,027,196	24,051,891	320,392,654
Net profit for the year	-	-	-	-	-	-	16,314,480	1,834,654	18,149,134
Other comprehensive expense for the year	-	-	-	-	-	(1,974,741)	-	(401,814)	(2,376,555)
Sale of investment at FVOCI	-	-	-	-	-	(371,150)	(32,111)	(119,786)	(523,047)
Cash dividend (Note 27)	-	-	-	-	-	-	(5,309,705)	-	(5,309,705)
Bonus shares (note 27)	5,522,099	-	-	-	-	-	(5,522,099)	-	-
Cash dividend of subsidiary to the non controlling	-	-	-	-	-	-	-	(802,899)	(802,899)
Acquisition of additional share in subsidiary (note 26)	-	-	-	-	-	-	26,896	(44,884)	(17,988)
Acquisition of subsidiary	-	-	-	-	-	-	-	169,491	169,491
Sale of treasury shares	-	-	1,170,604	-	-	453,960	-	-	1,624,564
Purchase of treasury shares	-	-	(6,875,638)	-	-	-	-	-	(6,875,638)
Transferred to reserve	-	-	-	1,702,410	-	-	(1,702,410)	-	-
Balance as at 31 December 2025	189,592,074	1,308,384	(13,662,003)	46,018,377	29,296,785	(612,506)	47,802,247	24,686,653	324,430,011

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	2025	2024
Operating activities			
Net profit for the year		18,149,134	17,444,258
<i>Adjustments for:</i>			
Change in fair value of investment properties	6	(2,709,770)	515,280
Impairment of land and real estate held for trading		54,263	324,914
Loss/(Gain) on sale of land and properties held for trading		10,668	(92,994)
Share of associates' results		(5,447,098)	(5,235,054)
Gain from investments	22	(5,392,128)	(8,365,725)
Depreciation of property, plant and equipment	5	1,191,495	1,219,009
Amortization and depreciation of intangible asset	7	69,789	5,949
Finance cost		11,726,002	12,488,981
(Reversal) provisions and impairment	24	(152,601)	(115,054)
Employees' end of service indemnity provided during the year		238,122	190,935
<i>Operating cash flow before changes in the working capital</i>		<u>17,737,876</u>	<u>18,380,499</u>
Purchase of Land and properties held for trading		(61,386)	(99,343)
Proceeds from sale of Land and properties held for trading		218,145	280,671
Receivables and other debit balances		(175,721)	925,308
Payables and other credit balances		(136,176)	776,672
Employees' end of service indemnity – paid during the year		(60,465)	(201,815)
Net cash generated from operating activities		<u>17,522,273</u>	<u>20,061,992</u>
Investing activities:			
Payment for purchase of property, plant and equipment	5	(968,842)	(516,982)
Payments for intangible assets	7	(313,191)	(2,233,492)
Proceed on sale of property, plant and equipment		-	15,750
Payment for additions of investment properties	6	(2,465,682)	(646,011)
Payment to acquire additional shares in associates	8	(3,388,986)	(2,288,658)
Associates dividends collected & accrued associates' dividends	8	4,302,432	3,052,415
Proceed on associate's capital reduction		156,832	1,248,388
Payment to acquire investment at FVOCI		(4,262,212)	(4,507,080)
Proceeds on sale of investment at FVOCI		2,015,905	790,108
Payment to acquire shares in subsidiary		(17,988)	(342,655)
Proceeds on sale of investments at fair value through profit or loss		-	1,275,224
Payment to acquire investments at fair value through profit or loss		(1,301,002)	(432,878)
Advance payment for purchase of investments		(3,504,370)	(2,609,657)
Cash dividend received on investments		3,467,129	3,360,971
Net cash used in investing activities		<u>(6,279,975)</u>	<u>(3,834,557)</u>
Financing activities:			
Proceeds from financial institutions		28,570,000	27,470,000
Repayment to financial institutions		(16,318,453)	(20,172,647)
Payment for buy-back of treasury shares		(6,875,638)	(4,492,240)
Payment for lease liabilities		(198,789)	(188,797)
The proceeds from the sale of treasury shares		1,624,564	1,594,882
Cash dividend paid		(5,333,639)	(7,075,914)
Finance cost paid		(12,114,351)	(12,503,313)
Cash dividends to non-controlling interests at a subsidiary		(802,899)	(1,033,490)
Net cash used in financing activities		<u>(11,449,205)</u>	<u>(16,401,519)</u>
Net change in cash and cash equivalents		<u>(206,907)</u>	<u>(174,084)</u>
Cash and cash equivalents at beginning of the year		<u>3,075,952</u>	<u>3,250,036</u>
Cash and cash equivalents at end of the year	13	<u>2,869,045</u>	<u>3,075,952</u>

The accompanying notes form an integral part of this consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. Incorporation and activities

The Commercial Real Estate Company (K.P.S.C) ("the Parent Company") was incorporated as a Kuwaiti Shareholding Closed Company under Articles of Association No. 104/ M/ Vol.1 on 4 February 1968 under Commercial register No. 11329 and re-enrolled on 21 December 1981 under No. 239 in accordance with provision of the Commercial Companies Law. The main objectives of the Company are performing various real estate, agricultural, industrial and commercial activities, carrying out contracting and building constructions including sale, purchase, lease of real estate properties and investing surplus cash in equity markets through investment portfolios managed by specialized companies and financial institutions. The Company may also participate in any suitable investments in entities that engage in similar business activities or that may help the Company achieve its objectives inside Kuwait and abroad. The Company may purchase such entities and affiliate them as stated in Company's Articles of Association, article No. 5 and Memorandum of Association, article No. 4. The Company's management shall carry out all its objectives for which it has been established in accordance with the Noble Islamic Sharia principles.

The head office of the Parent Company is located at Jaber Al-Mubarak Street, Commercial Real Estate Company's Building, Sharq, P.O. Box. 4119 Safat, 13042 Kuwait.

The Parent Company has been registered in the Boursa Kuwait on 21 December 2004.

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries set out in note (26), ("together referred to as the Group").

The consolidated financial statements were authorized for issue by the Board of Directors on 10 March 2026

2. Basis of preparation and materil accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared under the historical cost basis of measurement except for certain investment properties and financial instruments classified as investment securities at fair value through profit and loss ("Investments at FVTPL") and investment securities at fair value through other comprehensive income ("Investments at FVOCI"), which are measured at fair value.

These consolidated financial statements are presented in Kuwaiti Dinars ("KD"), which is also the Group's functional and presentation currency.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that may affect amounts reported in these consolidated financial statements, as actual results could differ from those estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas where estimates and assumptions are significant to the consolidated financial statements, or areas involving a higher degree of judgment, are disclosed in Note 4.

Going concern

The Board of Directors have, at the time of approving these consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2.2 New and revised accounting standards

2.2.1 Effective for the current year

Following standard, interpretation or amendment are effective from the current year and are adopted by the Group but however these does not have any impact on the consolidated financial statements of the year unless otherwise stated below:

Standard, interpretation, amendments	Description
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

2.2.2 Standards issued but not yet effective

At the date of authorization of these consolidated financial statements, the Group has not applied the following new and revised IFRS accounting standards that have been issued but are not yet effective:

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	<p>These amendments:</p> <ul style="list-style-type: none">• permit an entity to deem a financial liability (or part of a financial liability) that is settled using an electronic payment system to be discharged (and derecognised) before the settlement date if specified criteria are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.• clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;• add new disclosures for certain instruments with 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. The requirements apply to each class of financial asset measured at amortised cost or FVTOCI and each class of financial liability measured at amortised cost; and• Investments in equity instruments designated at FVTOCI-require an entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.	1 January 2026

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Standard, interpretation, amendments	Description	Effective date
IFRS 18 Presentation and Disclosures in Financial Statements	<p>IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.</p> <p>IFRS 18 introduces new requirements to:</p> <ul style="list-style-type: none"> • present specified categories and defined subtotals in the statement of profit or loss • provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements • improve aggregation and disaggregation. <p>The application of this standard may have an impact on the financial statements in future periods.</p>	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	<p>IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its consolidated financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</p> <p>IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.</p> <p>An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:</p> <ul style="list-style-type: none"> • it is a subsidiary (this includes an intermediate parent) • it does not have public accountability, and • its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. 	1 January 2027
Annual Improvements to IFRS Accounting Standards – Volume 11	Limited to amendments that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards	1 January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements in the period of its initial application.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2.3 Material accounting policies

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

2.3.1 Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company (a) has power over the investee (b) is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three components of controls listed above.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control over the subsidiary. Specifically, income and expenses of subsidiary acquired or disposed of during the year are included in the consolidated statement of income or other comprehensive income from the date in which the Parent Company gains control until the date when Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts 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 owners of the Parent Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. 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, or the cost on initial recognition of an investment in an associate or a joint venture.

Where applicable, adjustments are made to bring the accounting policies of the subsidiary in line with those of the Group. The difference in reporting date of the subsidiary and the Group is not more than three months. 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.

Business combinations

Acquisitions of business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except deferred tax assets or liabilities, liabilities or equity instruments related to share based payment arrangements and assets that are classified as held for sale in which cases they are accounted for in accordance with the related IFRS.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the consolidated statement of profit or loss. Amounts arising from interests that have previously been recognised in the consolidated statement of other comprehensive income are reclassified to consolidated statement of income where such treatment would be appropriate if that interest were fully disposed off.

Goodwill

Goodwill, arising on acquisition of a subsidiary, is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount "higher of value in use and fair value less costs of disposal" of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The results of business, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting except for any investment classified as investment held for sale, as it is accounted for in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and any other comprehensive income of the associates. When the Group's share of losses of an associate exceeds the Group's interest in that associate, (including any long-term interests represent a part of the Group's net investment in an associate), the Group discontinue recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Upon acquisition of an associate, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate, recognised at the date of acquisition, is recognised as goodwill. Goodwill is included within the carrying amount of the investment in an associate. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized in the consolidated statement of income .

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

If there is objective evidence that the group's net investment in an associate is impaired, the requirements of IAS 36 Impairment of Assets are applied to determine whether it is necessary to recognise an impairment loss with respect to the group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Where applicable, adjustments are made to bring the accounting policies of the associate in line with those of the Group. The difference in reporting date of the associate and the Group is not more than three months. 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.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associates are recognised in Group financial statement only to the extent of interests in the associate, that are not related to the Group.

2.3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any subsequent accumulated impairment losses. Cost includes the purchase price and any directly associated costs of bringing the asset to a working condition for its intended use. Maintenance and repairs, replacements and improvements of minor importance are expensed as incurred. In situations, where it is clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, these expenditures are capitalised

Property, plant and equipment depreciation is calculated using the straight line method on the basis of estimated useful lives except for land which is carried at cost less impairment losses. Property, plant and equipment amount is written down to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period. Change in estimations are accounted for as of the beginning of the financial year in which the change arises. Gains or losses on disposals of property, plant, and equipment are determined by the difference between the sales proceeds and the net carrying amount of the asset and is recognized in the consolidated income statement.

2.3.3 Investment properties

Investment properties are properties held to earn rentals and/or capital appreciation (including properties under construction for such purposes). Investment properties are measured initially at cost, including transaction costs

Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in consolidated statement of income in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss arising on disposal of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income for the period in which they arise.

Investment properties fair value measurement

The fair value of the Group's investment properties are estimated based on valuations carried out by independent valuers not related to the Group. The independent valuers are licensed from the relevant regulatory bodies and have appropriate qualifications and experience in valuation of properties at the relevant locations .

The fair value of investment properties was determined using the net income capitalisation rate method, using market rental income of all units of the properties and is classified as Level 3 (note 6).

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2.3.4 Intangible Assets

The intangible assets has finite useful life which acquired and recognised at cost, less accumulated amortisation and any accumulated impairment losses. Amortisation is applied on a straight-line basis over their estimated useful lives.

The useful lives and amortisation methods of intangible assets are reviewed at the end of each financial reporting period. Any changes in estimates are accounted for prospectively, beginning from the start of the financial year in which the change is made.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from their use. Gains or losses arising from the disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset. These gains or losses are recognised in the consolidated statement of income.

2.3.5 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal or value in use. Impairment losses are recognised in the consolidated statement of income for the year in which they arise. When an impairment is reversed, the impairment is recognised to the extent of the net carrying amount had no impairment been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of income.

2.3.6 Financial instruments

Classification and measurement of financial assets

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

Business model assessment

The Group determines its business model at the level that best reflects how it manages the financial assets to achieve its business objective and in order to generate contractual cash flows. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The stated policies and objectives for the financial assets and the operation of those policies in practice;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI test)

The Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. Interest is defined as consideration for time value of money and for the credit risk associated with the principal and for other basic lending risks and costs as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Group considers whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

The Group classifies its financial assets upon initial recognition into the following categories:

- Financial assets carried at amortised cost
- Financial assets carried at fair value through profit or loss (FVTPL)
- Financial assets carried at fair value through other comprehensive income (FVOCI)

Financial assets carried at Amortised cost

A financial asset is carried at amortised cost if it meets both of the following conditions:

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

Financial assets carried at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition is recognised in the statement of profit or loss and other comprehensive income. Cash and cash equivalents and receivables are classified at amortized cost.

Financial asset carried at fair value through profit or loss

Financial assets in this category are those assets which have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management designates an instrument at FVTPL that otherwise are required to be measured at amortised cost or at FVOCI only if it eliminates, or significantly reduces, an accounting mismatch that would otherwise arise. Financial assets with contractual cash flows not representing solely payment of principal and interest are mandatorily required to be measured at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value. Changes in fair value are recognised in the Consolidated statement of income. Interest income is recognised using the effective interest method. Dividend income from equity investments measured at FVTPL is recognised in the statement of profit or loss and other comprehensive income when the right to the payment has been established.

Financial assets carried at fair value through other comprehensive income

Upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by- instrument basis.

Gains and losses on these equity instruments are never recycled to Consolidated statement of income. Dividends are recognised in consolidated statement of income when the right to payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal cumulative gains or losses are reclassified from fair value reserve to retained earnings in the statement of changes in equity.

Debt instruments at FVOCI:

The Group measure debt instruments at FVOCI 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 FVOCI 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 certain unquoted debt instruments under debt instruments at FVOCI.

Reclassification of financial assets

The Group only reclassifies its financial assets subsequent to their initial recognition upon change in business model.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Impairment of financial assets

The Group recognizes expected credit losses (ECL) on financial assets that are measured at amortized cost in accordance with IFRS 9.

Group recognizes ECL for bank balances using low credit risk approach and other receivables using the general approach and uses the simplified approach for trade receivables as required by IFRS 9.

Low credit risk assessment

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

Significant increase in credit risk assessment

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forwardlooking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- 1) the financial instrument has a low risk of default;
- 2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- 3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

General approach

Under general approach, assets migrate through the three stages based on the change in credit quality since initial recognition. The Group incorporates forward-looking information based on expected changes in macro-economic factors in assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Financial assets with significant increase in credit risk since initial recognition, but not credit impaired, are transitioned to stage 2 from stage 1 and ECL is recognized based on the probability of default (PD) of the counter party occurring over the life of the asset. All other financial assets are considered to be in stage 1 unless it is credit impaired and an ECL is recognized based on the PD of the customer within next 12 months. Financial assets are assessed as credit impaired when there is objective evidence of impairment.

ECL is the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realised and the time value of money.

Simplified approach

The Group applies simplified approach to measuring credit losses, which uses a lifetime expected loss allowance for all trade receivables.

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar credit risk characteristics. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Event of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Recognition and de-recognition

A financial asset or a financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A financial asset (in whole or in part) is de-recognised when the contractual rights to receive cash flows from the financial asset has expired or the Group has transferred substantially all risks and rewards of ownership of the financial asset, or when it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset and when it no longer retains control over the asset. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

The Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between:

- (1) the carrying amount of the liability before the modification; and
- (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Fair values

Fair value is 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, i.e. an exit price. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial instruments quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities. The fair value of investments in mutual funds, unit trusts or similar investment vehicles are based on the last published net assets value.

For unquoted financial instruments fair value is determined by reference to the market value of a similar investment, discounted cash flows, other appropriate valuation models or brokers' quotes .

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The fair value of financial instruments other than short term financial instruments carried at amortised cost is estimated by discounting the future contractual cash flows at the current market interest rates for similar financial instruments.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented as a deduction from the gross carrying amount of the financial assets for financial assets carried at amortised cost.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2.3.7 Land and Properties held for trading

Land and real estate held for trading are stated at cost when acquired. Cost is determined on an individual basis for such land or real estate, where the cost represents the fair value of the consideration given, plus ownership transfer fee and brokerage expenses. Land and real estate held for trading are classified under current assets and are valued at the lower of cost or net realisable value on an individual basis. Net realisable value is determined on the basis of estimated sale value, less the estimated expenses necessary to complete the sale. Gains or losses from the sale of land and property held for trading are reported in the consolidated statement of income by the difference between sale value and its book value.

2.3.8 Employees' end of service indemnity

The Group is liable under Kuwait Labour Law to make payments under defined benefit plans to employees at termination of employment. Employees' end of service indemnity in other countries; the indemnity is calculated based on law applicable in these countries. Such payment is made on a lump sum basis at the end of an employee service. Defined benefit plan is un-funded and is based on the liability that would arise on involuntary termination of employees on the consolidated financial statement's date. The management expects that this method would result in a reliable approximation of the present value of the Group's liability.

2.3.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the consideration expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.3.10 Equity, reserves and dividend payments

Issued ordinary shares are recorded within equity. Direct costs relating to issuing of shares are reduced from the amounts received for issuing these shares within equity under share premium. Share capital represent the nominal value of the shares issued.

Dividends are recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the shareholders.

2.3.11 Treasury shares

Treasury shares represent the Parent Company's own shares that have been issued, subsequently purchased by the Group and not yet reissued or cancelled. Treasury shares are accounted for using the cost method. Under the cost method, the total cost of the shares acquired is reported as a contra account within equity when the treasury shares are disposed; gains are credited to a separate un-distributable account in equity "gain on sale of treasury shares". Any realised losses are charged to the same account in the limit of its credit balance. Any additional losses are charged to retained earnings, then to reserves and premium. Gains realised subsequently on the sale of treasury shares are first used to offset any previously recorded losses in reserves, retained earnings and the gain on sale of treasury shares.

2.3.12 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment where the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Kuwaiti Dinars' (KD).

Transactions and balances

Foreign currency transactions are translated into Kuwaiti Dinars using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end are recorded in the Consolidated statement of income except for:-

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.
- Non-monetary items that are measured in terms of historic cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.
- Non-monetary items that are measured in terms of fair value in a foreign currency are translated using the exchange rate as at the date of the reporting date. Foreign currency effect is a part of the change in fair value of investments classified in the other comprehensive income for OCI investments and profit or loss for FVTPL investments.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that consolidated financial statements.
- Income and expenses for each income statement are translated at average exchange rates.
- All resulting exchange differences are recognized as a separate component of equity.

2.3.13 Revenue recognition

Revenue from contract with customers is recognized when the Group satisfies the performance obligation by transferring the promised goods or service to the customer. A product or service is deemed to have been transferred when the customer has control over that item or service at a point in time or over time.

Revenue is measured at the amount of the consideration to which the Company is expected to be entitled in exchange for the transfer of the promised goods or services to the customer.

Rental income

Rental income is recognized in accordance with the accounting policy 2.3.15 "Leasing".

Sale of lands and real estate held for trading

Gains and losses from the sale of lands and real estate held for trading are recognized in consolidated statement of income at a point in time when the customer has control over the goods or assets.

Gain/loss on de-recognition of financial assets

Gain/loss on de-recognition of financial assets is recognized in accordance with the accounting policy 2.3.6 "Derecognition of financial assets".

Services income

The Group earns revenue from other services. Revenue from services is recognised as the Group satisfies the performance obligation by transferring the promised services to the customer.

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income

Interest income is recognised using the effective interest method by reference to the principal outstanding and the interest rate applicable.

Revenue from hotel operations

The Group generates hospitality income from its owned hotels. These include revenues from room occupancies, food and beverages sales and other services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from its hospitality operations:

a. Identifying performance obligations in a bundled contract

The Group provides certain hospitality services to its customers as part of a single arrangement and these arrangements may include various performance obligations that represents performing a contractually agreed-upon task(s) for a customer. The Group determined that each of these performance obligations are capable of being distinct as these services are separately identifiable from other obligations in the contract and the customer can benefit from each service on its own. Furthermore, the Group also determined that the promises of such services are distinct within the context of each contract, the transaction price is determined separately based on each obligation and these services are not highly interdependent or highly interrelated. The transaction prices is allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, the Group estimates separate transaction price for each performance obligation based on expected cost-plus margin.

b. Determine transaction price

The transaction price is the amount of consideration that is enforceable and to which the Group expects to be entitled in exchange for services promised to the customer. The Group determines the transaction price by considering the terms of the contract and business practices that are customary.

c. Determining the timing of satisfaction of services

The Group concluded that revenue from room occupancy is recognized at point over time in the accounting period when the services are rendered, revenue from food and beverages sales to its customers is recognised at point in time when the obligations are performed and other hotel revenue is recognized when such services are rendered.

d. Principal versus agent considerations

During the performance of hospitality services to its customer, the Group involves certain third parties in providing certain services. The Group has concluded that it is a principal in such arrangements as the Group retains the right to a service to be performed by the other party, which gives the Group the ability to direct that party to provide the service to the customer on the Group's behalf and the Group is primarily held responsible for fulfilling each obligation to the customer.

2.3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.3.15 Leasing

Where the Group is the lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate consideration under the contract to each component.

The Group as a lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognizes a right of use asset and a corresponding lease liability on the date on which the lessor makes the asset available for use by the Group (the commencement date).

On that date, the Group measures the right of use at cost, which comprises of:

- the amount of the initial measurement of the lease liability.
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

- an estimate of costs to be incurred to restoring the underlying asset to the condition required by the terms and conditions of the lease as a consequence of having used the underlying asset during a particular period; this is recognised as part of the cost of the right of use asset when the Group incurs the obligation for those costs, which may be at the commencement date or as a consequence of having used the asset during a particular period.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. On that date, the lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Payments associated with leases of short term leases and low-value assets are recognized on a straight-line basis as an expense in statement of income.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Subsequent Measurement

According to usage nature of the leased asset, the Company classifies the asset within a group of related assets. If the right of use asset meets the definition of real estate investment "IAS 40", the Group measures the right of use asset based on the accounting policy adopted in measuring real estate investments owned by the Group (Note 2.3.3). However, if the right of use asset meets the definition of property, plant and equipment, the Group measures the asset as per the accounting policy adopted in measuring the property, plant and equipment (Note 2.3.2.).

After the commencement date, the Group measures lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payment made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to the consolidated statement income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The constant periodic rate of interest is the discount rate used at the initial measurement of lease liability.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Sale and leaseback

The Group enters into sale and leaseback transactions whereby it sells certain assets to a third-party and immediately leases them back. Where sale proceeds received are judged to reflect the fair value, any gain or loss arising on disposal is recognised in the statement of income, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use asset recognised at commencement of the lease. Where sale proceeds received are not at the fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

2.3.16 Taxation

Kuwait Foundation for the Advancement of Sciences (KFAS)

The contribution to KFAS is calculated at 1% of taxable profit of the Group in accordance with the modified calculation according to the relevant ministerial resolution, which states that income from associates and subsidiaries that are previously subject to KFAS & Board of Directors' remuneration, transfer to statutory reserve should be excluded from profit for the year when determining the contribution.

National Labor 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 for the year. 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.

Zakat

The Group calculates zakat in accordance with the Ministry of Finance resolution No. 46 of 2006. They are recognized as expense in the relevant period on accrual basis.

3. Financial risk management

3.1 Financial risks

The Group's activities expose it to a variety of financial risks, which are market risks (which include foreign currency risks and risks of fair value resulting from interest rates, and risks of fluctuations in cash flows resulting from changes in interest rates, and market prices risks) in addition to credit risk and liquidity risks.

The Group's Risk Management focuses on the unpredictable issues in the financial markets in order to reduce the potential negative impact on the financial performance of the Group to the minimum. The Group currently does not use hedging instruments to manage its exposure to these risks. Group does not have any interest bearing assets or liabilities carried at fair value and therefore are not exposed to fair value risk.

A) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The Group manages this risk by diversifying its investments.

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 currency exchange rates.

The Group is exposed to this risk as a result of holding financial assets and liabilities in foreign currencies, primarily in US Dollar, Sterling Pound and Bahraini Dinar. The Group's management constantly monitors the change in exchange rates of foreign currencies that might negatively affect the Group's results.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

The following is the net positions of foreign currencies denominated in KD as at the consolidated financial statements date:

	2025	2024
US Dollar	57,721,124	58,028,954
Sterling Pound	6,528,338	8,439,063
Bahraini Dinar	(1,203,273)	(1,628,066)
Other	28,079,957	31,235,206

The following is the effect of change of foreign exchange rates by 5% against Kuwaiti Dinar, with all other variables are held constant on the Group's equity/consolidated statement of income:

	2025		2024	
	Equity	Statement of income	Equity	Statement of income
US Dollar	1,718,372	1,167,684	1,792,012	1,109,436
Sterling Pound	162,740	163,677	267,161	154,793
Bahrain Dinar	1,247	(61,411)	1,125	(82,528)
Other	596,499	807,499	676,099	885,661

Profit rate risks

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 not exposed to interest rate risk as the Group works under Noble Principles of Islamic Sharia and the profit rates are fixed during the contractual maturity period.

Fair value risks

Equity price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. Financial instruments, which are exposed to the market risk, consist of investment at fair value through statement of income and investments at FVOCI. The Group manages this risk by diversifying its investments on the basis of the pre-determined asset allocations across various categories, continuous appraisal of market conditions and trends and management estimate of long and short term changes in fair value. The Group maintains its quoted investments with specialized investment companies. Monthly reports on investments performance are sent to the Group management for follow up and decisions making.

The Group is exposed to equity price risks arising from equity investments.

Equity investments in unlisted entities (Note 9) are held for strategic rather than trading purposes. The Group does not actively trade in these investments.

The Group's management monitors and manages such risks through: -

- Manage the Group's investments through portfolios managed by specialized portfolio managers.
- Invest in companies' shares that have good financial positions that generate high operating income and cash dividends.
- Investments in unquoted shares and securities should be in companies that carry out similar activities where such investments should be studied and approved by the senior management.
- Periodic follow-up of the changes in market prices.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5% higher/lower:

- Net profit for the year ended 31 December 2025 would increase/decrease by KD 2,669,338 (increase/decrease by KD 2,512,329) as a result of the changes in fair value of the investments through profit and loss; and
- Other comprehensive income would increase/decrease by KD 2,643,734 (increase/decrease by KD 2,878,689) as a result of the changes in fair value of the investments through other comprehensive income.

The methods and assumptions used in preparing the sensitivity analysis above have not changed significantly from the prior year.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

B) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation causing the other party to incur a financial loss. Financial assets, which potentially subject the Group to credit risk, consist of bank balances, trade receivables. The Group manages this risk by placing money with high credit rating financial institutions.

The Group always measures the loss allowance for impairment for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group considers an event of default has occurred when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full (without taking into account any collateral held by the Group). Irrespective of this criteria, the Group considers that a default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The following table contains an analysis of the maximum credit risk exposure of financial instruments:

	2025	2024
Bank balances	2,863,610	3,070,081
Trade receivables & other debit balances	2,876,725	3,871,802
	<u>5,740,335</u>	<u>6,941,883</u>

All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable local and international banking institutions.

No ECL charged on due from related parties, refundable deposits and other debit balances as of 31 December 2025 and 01 January 2025 due to it is immaterial.

The following table details the risk profile of trade receivables based on the Group's provision matrix.

31 December 2025

	0-90 days	91-180 days	181-365 days	> 365 days	Total
Gross carrying amount	292,478	31,309	59,135	3,848,497	4,231,419
Lifetime ECL	17,150	4,361	19,105	3,759,975	3,800,591

01 January 2025

	0-90 days	91-180 days	181-365 days	> 365 days	Total
Gross carrying amount	232,365	47,834	114,127	4,083,670	4,477,996
Lifetime ECL	7,553	2,332	10,907	3,945,150	3,965,942

C) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet its commitments. The Group manages liquidity risk by maintaining adequate cash and bank balances and borrowing facilities and by continuously monitoring forecast and actual cash flows.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, and long-term liquidity management requirements. The Group manages liquidity risk through maintaining adequate assets, which are easily convertible into cash and also by securing banking facilities in addition to ongoing monitoring of the expected and actual cash flows and maturity profile of financial assets and liabilities.

The table below analyses the non-derivative financial liabilities based on the remaining period at the consolidated statement of financial position date to the contractual maturity date.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

The amounts disclosed in the table are the contractual undiscounted cash flows.

	2025				Total
	Within 3 months	From 3 months to one year	1-5 years	More than 5 years	
Financing from financial institutions	3,998,195	21,471,082	254,289,592	8,891,577	288,650,446
Accounts payable	1,024,191	8,513,016	1,533,081	-	11,070,288
Lease liability	28,896	172,317	804,845	1,641,761	2,647,819
	2024				Total
	Within 3 months	From 3 months to one year	1-5 years	More than 5 years	
Financing from financial institutions	5,261,863	44,408,977	166,277,268	64,064,574	280,012,682
Accounts payable	975,818	10,566,976	-	-	11,542,794
Lease liability	28,896	159,901	817,269	1,905,711	2,911,777

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, enabling it to provide returns for shareholders and benefits for other stakeholders. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's capital structure consists of finance obtained from third party less cash and cash equivalents in addition to equity.

Under the laws of Kuwait, the Parent Company also appropriates 10% of its net profit to a statutory reserve till it exceeds 50% of the share capital, with restrictions on distribution.

The Group manages the capital risk by continuously monitoring the gearing ratio.

The gearing ratio at year end was as follows:

	2025	2024
Financing from Financial institutions	248,815,468	236,563,921
Less: cash and cash equivalents	(2,869,045)	(3,075,952)
Net debt	245,946,423	233,487,969
Total equity	324,430,011	320,392,654
Gearing ratio (%)	75.80	72.87

3.3 Fair value estimation

The fair values of financial assets and liabilities are estimated as follows:

- Level 1 Quoted prices in active markets for quoted financial instruments.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Financial assets	Fair value as at		Fair value level	Valuation methods and key inputs	Significant unobservable inputs	Relation of unobservable inputs to fair value
	2025	2024				
Fair value of financial assets and liabilities of the Group measured at fair value on a recurring basis:						
Investments at fair value through other comprehensive income						
Quoted shares	1,157,249	869,117	1	Last bid price	N/A	N/A
Private equity	44,759,804	53,410,695	3	Income approach/ market multiple model / NAV	Cash flow, discount rate, growth rate and / or net asset value	Higher estimated cash flows and lower discount rates, results in higher fair value
Investment funds	6,957,633	3,293,974	3	NAV	Growth rate and / or net asset value	Higher growth rates result in higher fair value
Investments at fair value through profit or loss:						
Quoted shares	1,677,721	1,081,006	1	Last bid price	N/A	N/A
Private equity	51,709,045	49,165,581	3	Income approach/ market multiple model / NAV	Cash flow, discount rate, growth rate and / or net asset value	Higher estimated cash flows and lower discount rates, results in higher fair value

The movement in Level 3 fair value hierarchy during the year is given below:

	2025	2024	2025	2024
	Through other comprehensive income		Through profit or loss	
At 1 January	56,704,669	56,863,876	49,165,581	40,690,536
Purchased	4,262,212	4,507,081	1,301,003	546,753
Transferred from advances	-	-	-	4,311,975
Cost of investments sold	(2,486,353)	(569,383)	-	(968,142)
Change in fair value	(6,763,091)	(4,096,905)	1,242,461	4,584,459
At 31 December	51,717,437	56,704,669	51,709,045	49,165,581

Fair value of financial assets and liabilities of the Group not measured at fair value on a recurring basis:

	31 December 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
- Receivables	2,876,725	2,876,725	3,871,802	3,871,802
- Cash and cash equivalents	2,869,045	2,869,045	3,075,952	3,075,952
	5,745,770	5,745,770	6,947,754	6,947,754
Financial liabilities:				
- Financing from Financial institutions	248,815,468	240,955,849	236,563,921	233,718,486
- Payables	12,731,935	12,731,935	13,722,742	13,722,742
	261,547,403	253,687,784	250,286,663	247,441,228

The fair values of the financial assets and financial liabilities included in the level 3 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. There are no transfers between fair value levels during the year.

3.4 Subsequent events

In the light of the ongoing escalating conflict in the Middle East and the associated uncertainty around its potential impact on economic activity, inflation, and market conditions, management acknowledges that this matter may require revision of certain assumptions and estimates in preparing these financial statements in future reporting periods, related to the fair valuation of assets that are measured at fair value and impairment of associates, if the conflict proves prolonged. However, at this stage Management is unable to reliably estimate any potential, as events are unfolding day-by-day.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. Significant accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Discounting of lease payments

The lease payments are discounted using the Parent Company's incremental borrowing rate ("IBR"). At initial adoption of IFRS 16 "Leases", the Management has applied judgments and estimates to determine the incremental borrowing rate.

Lease modification - Group as lessor

The Group, as lessor, has deemed that changes in lease contract payments resulting from clauses stipulated under the original contract, applicable law, or applicable regulations are part of the original terms and conditions of the lease agreement, even if the effect of those terms (arising from COVID-19) which not previously contemplated. In this case, there is no amendment to the lease contracts with respect to the purposes of IFRS 16.

Classification of investments

On acquisition of an investment, management uses judgment in assessing the business model within which the assets are managed and also assessing whether the contractual cashflows of the financial asset are related to the solely payment of principal and interest, the Group decides whether it should be classified as "FVTPL" or "FVTOCI".

Classification of real estate investments

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

The Group classifies property as held for trading if this is acquired principally for sale in the ordinary course of the business.

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

Impairment loss on investments

The Group estimates impairment for all investments carried at amortized cost or at fair value through consolidated income statement, except for equity instruments. Impairment is considered appropriate when there is objective evidence that the financial position of the investee is deteriorating, including factors such as industry and sector performance, changes in technology and operating and financing cash flows. Note 23 shows the impact on the consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Contingent liabilities

Contingent liabilities arise as a result of a past events confirmed only by the occurrence or non-occurrence of one or more of uncertain future events not fully within the control of the entity. Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated. The determination of whether or not a provision should be recorded for any potential liabilities is based on management's judgment (Note 30).

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurements and valuation techniques

Certain assets and liabilities of the Group are measured at fair value for the purposes of preparing the financial statements. The Group's management determines the appropriate techniques and inputs required for measuring the fair value. In determining the fair value of assets and liabilities, management uses observable market data as appropriate. In case no observable market data is available the Group uses an external valuer qualified to do the valuation.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation of the investment properties. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The valuations of private equity investments, contingent consideration in business combinations and nonderivative financial assets held for trading are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on the carrying amounts of these assets and the sensitivity of those amounts to changes in unobservable inputs are provided in (note 3.3).

Information regarding the required valuation techniques and inputs used to determine the fair value of financial assets and liabilities is disclosed in note (3.3 & 6).

Impairment of tangible and intangible assets other than "land and properties held for trading"

The Group reviews value in use or the fair value assessment of tangible and intangible assets "other than land and properties held for trading" on a continuous basis to determine whether a provision for impairment should be recorded in the consolidated statement of income. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty, and actual results may differ resulting in future changes to such provisions.

Impairment of associates

Impairment testing of the associates is carried out when there is an indication of such impairment. Impairment is assessed for the entire carrying value of the Group's investment in the associates including goodwill Note (8).

Land and properties held for trading

The Group reviews the net realizable value of "land and properties held for trading" at each reporting date. Management assesses, whether there is any indication that the net realizable value is below carrying cost. The determination of net realizable value requires considerable judgment and involves evaluating factors including, independent external expert and market conditions which represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Calculation of loss allowance

The Group estimates expected credit loss for all monetary assets carried at amortized cost. The determination of expected credit loss involves significant use of external and internal data and assumptions. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Refer note 2.3.5 impairment of financial assets for more information.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. Property, plant and equipment	Land & buildings	Furniture & fittings	Utensils & Furnishings	Office equipment, tools & vehicle	Total
Cost					
Balance at 1 January 2024	26,467,978	12,976,017	3,681,098	3,410,801	46,535,894
Additions	-	52,983	858	463,141	516,982
Disposals	-	-	-	(90,877)	(90,877)
Balance at 31 December 2024	26,467,978	13,029,000	3,681,956	3,783,065	46,961,999
Additions	141,213	133,429	22,205	672,324	969,171
Disposals	-	-	-	(329)	(329)
Balance at 31 December 2025	26,609,191	13,162,429	3,704,161	4,455,060	47,930,841
Accumulated depreciation					
Balance at 1 January 2024	7,429,894	11,519,708	3,674,822	2,514,989	25,139,413
Depreciation for the year	569,846	270,533	6,230	372,400	1,219,009
Disposals	-	-	-	(90,729)	(90,729)
Balance at 31 December 2024	7,999,740	11,790,241	3,681,052	2,796,660	26,267,693
Depreciation for the year	570,496	244,276	685	376,038	1,191,495
Disposals	-	-	-	(328)	(328)
Balance at 31 December 2025	8,570,236	12,034,517	3,681,737	3,172,370	27,458,860
Net carrying value					
As at 31 December 2025	18,038,955	1,127,912	22,424	1,282,690	20,471,981
As at 31 December 2024	18,468,238	1,238,759	904	986,405	20,694,306
Useful lives (years)	40	5-10	5	3-6	

6. Investment properties

These represent commercial, residential properties and land most of which are located in the State of Kuwait. The movement in investment properties during the year was as follows:

	2025	2024
Balance at 1 January	369,222,820	369,092,089
Additions during the year	2,465,682	646,011
Transfer from land and properties held for trading	302,024	-
Change in fair value	2,709,770	(515,280)
Balance at 31 December	374,700,296	369,222,820

The fair value of the Group's investment properties as at 31 December 2025 are estimated based on valuations carried out by independent valuers not related to the Group. The independent valuers are licensed from the relevant regulatory bodies and have appropriate qualifications and experience in valuation of properties at the relevant locations.

The fair value of investment properties was determined using the net income capitalisation rate method, using market rental income of the properties and is classified as Level 3. Market price method and the current replacement cost method which also used for some other properties. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties. The valuation model used involves significant unobservable inputs including the average capitalisation rate. Average capitalisation rate used in valuation takes into account the capitalisation of rental income, nature of the property and prevailing market conditions. The average capitalization rate for properties valued using the income capitalization method ranges from 5 % to 9.5 % (5.01 % to 9.5 % - 31 December 2024).

An increase in the capitalisation rate used would result in a decrease in the fair value, and vice versa.

In estimating the fair value of the investment properties, their current use was assumed to be highest and best use of these properties.

Investment properties include properties of KD 296,676,060 as at 31 December 2025 (KD 282,917,980 - 31 December 2024) pledged to local financial institutions as collateral for finance obtained by the Group (Note 19).

Investments properties include the fair value of the right of use of Boulevard Mall which will expire in year 2036.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

The balance of lease liabilities is as follows:

	2025	2024
<u>Lease liabilities (non-current)</u>		
Amounts due after 12 months	1,993,624	2,113,688
<u>Lease liabilities (current)</u>		
Amounts due within 12 months – included in other payables	122,346	116,754
	<u>2,115,970</u>	<u>2,230,442</u>

7. Intangible assets

	Right of use leased land	Car parking Building under development	Total
Opening Balance	126,422	2,210,400	2,336,822
Additions	-	313,191	313,191
Depreciation and amortization	(5,948)	(63,841)	(69,789)
Balance as of ending of the period	<u>120,474</u>	<u>2,459,750</u>	<u>2,580,224</u>
Impairment	-	(12,750)	(12,750)
Net value end of period	<u>120,474</u>	<u>2,447,000</u>	<u>2,567,474</u>
Useful life	20	20	

During the last year, the Group has fulfilled the conditions outlined in the Build-Operate-Transfer contract specified in the agreement between the Parent Company and the Ministry of Finance. The financial and operational terms of the agreement commenced during the last year to build and operate a car park for 20 years. At the end of the agreement, the leased land, along with the car park, will be transferred to the Ministry of Finance free of charge. The Group has accounted for the contract in accordance with IFRIC 12.

The balance of lease liabilities related to the car park is as follows:

	2025	2024
<u>Lease liabilities (non-current)</u>		
Amounts due after 12 months	125,614	139,643
<u>Lease liabilities (current)</u>		
Amounts due within 12 months – included in other payables	12,416	-
	<u>138,030</u>	<u>139,643</u>

8. Investments in associates

Financial information

Name of associates	Country of incorporation	Principal activity	Ownership %		2025	2024
			2025	2024		
Hajar Tower Real Estate Co.	Kuwait	Real Estate	27.50	27.42	4,224,180	2,854,265
Kuwait Resorts Co. *	Kuwait	Services	44.28	44.42	16,920,052	15,173,725
Bayan Real Estate Co.	Saudi Arabia	Real Estate	36.71	27.66	7,841,718	5,875,206
Afkar Holding Co.	Kuwait	Holding	31.84	27.77	6,254,570	4,867,400
Kuwait Commercial Markets Complex Co.	Kuwait	Real Estate	41.10	30.23	9,449,060	5,383,669
Gulf Opportunities Co.	Kuwait	Real Estate	43.00	43.00	948,950	843,944
Al Jahra Tourism Co.	Kuwait	Tourism	44.87	44.87	3,252,492	4,860,127
Vacation Club Venture	Emirates	Real Estate	30.00	30.00	5,648,181	5,570,868
Waves Budaiya Development Co.	Bahrain Cayman Islands	Real Estate	36.00	36.00	982,141	986,894
KREC Investment LTD		Real Estate	49.84	-	3,477,013	
Other					900,435	908,716
					<u>59,898,792</u>	<u>47,324,814</u>

- All investments in associates above are accounted for using equity method in these consolidated financial statements.
- Kuwait Resorts Company is quoted in an active market and its fair value as at 31 December 2025 is KD 11,245,928 (KD 9,509,554 - 31 December 2024).

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

The summarised financial information below is extracted from the associates latest available financial statements prepared in accordance with International Financial Reporting Standards:

Kuwait Resorts Company

	2025	2024
Current assets	624,459	5,767,978
Non-current assets	39,495,750	33,348,332
Current liabilities	1,790,438	4,889,200
Non-current liabilities	121,157	70,110
Cash dividends received from associate during the year	264,156	164,567

	2025	2024
Total Revenue	1,300,091	7,415,502
Profit for the year	896,454	3,278,801
Total other comprehensive income	5,043,923	3,600,402

Hajar Tower Real Estate Company

	2025	2024
Current assets	28,252,636	37,956,348
Non-current assets	34,153,116	32,885,382
Current liabilities	40,042,870	41,666,037
Non-current liabilities	7,002,230	18,767,880

	2025	2024
Total Revenue	27,892,396	25,222,908
Profit for the year	5,008,841	4,476,073

Al Jahra Tourism Company

	2025	2024
Current assets	7,938,208	7,465,852
Non-current assets	2,054,593	5,851,939
Current liabilities	1,395,118	1,046,870
Non-current liabilities	1,349,685	1,440,233

	2025	2024
Total Revenues	7,846,867	7,482,328
Profit for the year/ total comprehensive income	4,094,133	3,814,980
Adjustment - The effect of unified accounting policies	(2,131,955)	(2,184,499)
Profit for the year/ total comprehensive income	1,962,178	1,630,481

Bayan Real Estate Company

	2025	2024
Current assets	1,672,918	1,011,479
Non-current assets	20,276,261	20,359,250
Current liabilities	527,600	91,143
Non-current liabilities	60,450	40,083

	2025	2024
Total Revenue	917,879	951,985
Loss for the year	386,139	328,451
Total other comprehensive income	-	-

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Vacation Club Venture Company

	2025	2024
Current assets	4,623,135	2,471,524
Non-current assets	19,432,707	18,839,809
Current liabilities	5,207,393	2,739,785
Non-current liabilities	21,180	1,987
	2025	2024
Total Revenue	56,757	385,873
Profit for the year	(84,906)	24,504
Total other comprehensive income	-	-

Kuwait Commercial Markets Complexes Company

	2025	2024
Current assets	3,737,392	3,957,395
Non-current assets	24,216,265	19,153,994
Current liabilities	4,937,411	5,278,199
Non-current liabilities	27,087	24,235
	2025	2024
Total Revenue	559,137	753,406
Profit for the year	162,957	568,967
Total other comprehensive income	5,638,342	4,026,857

Aggregate information of associates that are not individually material

	2025	2024
The Group's share in Profit	965,135	416,265
The Group's share of other comprehensive income/(expense) for the year	106,256	158,519
The Group's share of total income for the year	1,071,391	574,784
Aggregate carrying amount of the Group's interest in these associates	12,563,109	7,606,954

	31 December 2025	31 December 2024
Balance as the beginning of the year	47,324,814	41,493,557
Additions during the year	5,998,643	2,288,658
Group's share in associates' results	5,447,098	5,235,054
Group's share in associates' reserves	4,034,937	2,777,075
Acquisition of subsidiary	169,491	-
Translation of foreign currencies	11,861	(168,727)
Capital reduction of associate	(156,832)	(1,248,388)
Cash dividends	(2,931,220)	(3,052,415)
	59,898,792	47,324,814

9. Investment at FVOCI

	2025	2024
Investment in quoted shares	1,157,249	869,117
Investment in private equities managed by others	44,759,804	53,410,695
Investment funds	6,957,633	3,293,974
	52,874,686	57,573,786

The fair values of investments, other than quoted shares, was estimated according to the valuation principles set in note 3.3.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

10. Land and properties held for trading

	2025	2024
Balance as at 1 January	16,496,272	16,909,520
Additions	61,386	99,343
Cost of sales during the year	(228,813)	(187,677)
Transfer to Investment properties *	(302,024)	-
Disbosales	(381,938)	-
Reversal of impairment	-	1,709
Impairment	(54,263)	(326,623)
Balance as at 31 December	<u>15,590,620</u>	<u>16,496,272</u>

The net realizable values were determined based on the market comparable approach for the areas in which the properties are located, taking into account the properties nature, location and stage of development.

Lands and properties held for trading includes lands in Kingdom of Bahrain as 31 December 2025 amounting to KD 2,960,655 (KD 2,986,829 as 31 December 2024) registered in the name of a related party, but assigned in the name of the Parent Company.

* During the year the Group signed a contract with a third party to lease one foreign property, accordingly the Group reclassified the property from held for trading to the investment properties.

11. Investments at fair value through profit or loss

This represent mainly investment in private equities managed by others. The fair values of such investment were estimated as set out in note 3.3.

12. Receivables and other debit balances

	2025	2024
Trade receivables	4,231,419	4,477,996
Due from related parties (note 28)	12,220	-
Provision for expected credit losses	(3,800,591)	(3,965,942)
	<u>443,048</u>	<u>512,054</u>
Advance payments for acquisition of investments	3,706,370	2,811,657
Advances to contractors and suppliers	433,644	408,074
Prepaid expenses	180,012	164,078
Refundable deposits	340,000	340,000
Other debit balances	2,157,813	3,071,664
	<u>6,817,839</u>	<u>6,795,473</u>
Provisions	(90,007)	(90,007)
	<u>6,727,832</u>	<u>6,705,466</u>
	<u>7,170,880</u>	<u>7,217,520</u>

Aging of lease receivables provided under note (3.1) Financial risks.

Movement of provision for expected credit losses for the year:

	2025	2024
Balance as at 1 January	3,965,942	3,955,821
Provided during the year	22,595	243,051
Reversal of provision for Expected credit losses	(187,946)	(232,930)
Balance as at 31 December	<u>3,800,591</u>	<u>3,965,942</u>

13. Cash and cash equivalents

	2025	2024
Cash in hand	5,435	5,871
Cash at banks and financial institutions	2,263,610	2,111,581
Deposits with financial institution	600,000	958,500
Cash and cash equivalent for cash flow	<u>2,869,045</u>	<u>3,075,952</u>

The profit rate for the deposit is 3.25 – 3.625 % (3.7 – 5.5 % - 2024).

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

14. Share capital

The authorized, issued and paid up capital of the Parent Company amounted to KD 189,592,074 comprises of 1,895,920,743 shares with a nominal value of 100 fils each, fully paid up in cash as of 31 December 2025 (KD 1,840,699,751 distributed over 1,840,699,751 shares as of 31 December 2024).

15. Treasury shares

	2025	2024
Number of shares	101,396,183	72,311,294
Proportion to issued shares (%)	5.35	3.93
Market value	20,583,425	10,485,138
Cost	13,662,003	7,956,969

The Parent Company is required to retain reserves and retained earnings equivalent to cost of treasury shares during this period they are held by the Parent Company, pursuant to the relevant instructions of the regulatory authorities. Treasury shares of 45,332,495 shares are held by a subsidiaries as of 31 December 2025 (37,743,304 shares 31 December 2024).

16. Statutory reserve

In accordance with the Companies Law and the Parent Company's Articles of Association, 10% of net profit for the year, before contribution to Kuwait Foundation for Advancement of Sciences, National Labour Support Tax, directors' remuneration, and Zakat is transferred to the statutory reserve. The Parent Company may resolve to discontinue such transfers when this reserve equals 50% of the paid up share capital. This reserve is not available for distribution except in cases stipulated by Law and the Parent Company's Articles of Association.

17. Voluntary reserve

In accordance with the Companies Law and the Parent Company's Articles of Association, a percentage of the net profit for the year, as proposed by the board and agreed by shareholders during the annual general assembly, before contribution to Kuwait Foundation for Advancement of Sciences, National Labour Support Tax, directors' remuneration and Zakat is transferred to the voluntary reserve. Such transfers can be discontinued by a resolution adopted by the general assembly as recommended by the Board of Directors. The Parent Company's Board of Directors has proposed not to transfer any amount of the net profit for the year to the voluntary reserve.

18. Other reserves

	Change in fair value reserve	Group's share in associates' reserves	Property, plant and equipment revaluation surplus	Translation of foreign currencies	Treasury shares Reserve/ sale of treasury shares	Total
Balance as at 1 January 2024	(6,526,101)	1,446,157	5,547,886	558,471	233,346	1,259,759
Total comprehensive (losses)/ income	(3,703,117)	2,698,996	-	(168,728)	-	(1,172,849)
Sale of investment at FVOCI	(139,016)	-	-	-	-	(139,016)
Total movement of treasury shares	-	-	-	-	1,331,531	1,331,531
Balance as at 31 December 2024	(10,368,234)	4,145,153	5,547,886	389,743	1,564,877	1,279,425
Balance as at 1 January 2025	(10,368,234)	4,145,153	5,547,886	389,743	1,564,877	1,279,425
Total comprehensive (losses)/ income	(5,885,951)	3,900,342	-	10,868	-	(1,974,741)
Sale of investment at FVOCI	(371,150)	-	-	-	-	(371,150)
Total movement of treasury shares	-	-	-	-	453,960	453,960
Balance as at 31 December 2025	(16,625,335)	8,045,495	5,547,886	400,611	2,018,837	(612,506)

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

19. Financing from financial institutions

Financing from financial institutions represent murabaha and tawaruq contracts from banking institutions inside Kuwait.

Financing from third parties are analysed as follows:

	2025	2024
Current portion	14,579,167	36,871,273
Non-current portion	234,236,301	199,692,648
	<u>248,815,468</u>	<u>236,563,921</u>

The movements in financing from financial institutions

	2025	2024
Balance as the beginning of the year	236,563,921	229,266,568
Received	28,570,000	27,470,000
Paid	(16,318,453)	(20,172,647)
Balance as the end of the year	<u>248,815,468</u>	<u>236,563,921</u>

Average cost of financing from third parties is 4.7 % as at 31 December 2025 (5.2 % - 31 December 2024).

The maturity analysis is set out in note (3.1).

The Group obtained finance against pledge of 245,697,583 shares as of 31 December 2025 (245,697,583 shares - 31 December 2024) of Al Salmia Group (subsidiary) in addition to the following assets:

	2025	2024
Property, plant and equipment	19,094,543	19,241,485
Investment properties (Note 6)	296,676,060	282,917,980

20. Payables and other credit balances

	2025	2024
Trade payables	1,000,627	1,036,672
Due to related parties (Note 28)	109,156	78,849
Retentions	370,021	1,084,878
Accrued expenses	3,140,796	3,150,537
Rent received in advance	726,730	866,311
Rental security deposits from others	3,202,170	3,250,829
Kuwait Foundation for the Advancement of Science (KFAS)	71,244	75,699
National Labor Support Tax	426,436	402,832
Zakat	83,934	99,392
Dividends payable to shareholders	235,512	259,446
Other payables *	3,365,309	3,417,297
	<u>12,731,935</u>	<u>13,722,742</u>

* Other credit balances include lease liabilities of KD 134,762 due within 12 months (KD 116,754 - 2024).

21. Net income from operating activities

	2025	2024
<u>Operating Revenues</u>		
Real estate rental income	27,341,119	26,908,263
Hotel and hospitality revenues	4,339,987	4,127,076
Sale of land and properties held for trading	218,145	280,671
	<u>31,899,251</u>	<u>31,316,010</u>
<u>Operating expenses</u>		
Property expenses	(6,473,381)	(6,088,722)
Hotel and hospitality expenses	(3,560,159)	(3,387,437)
Cost of sold lands	(228,813)	(187,677)
	<u>(10,262,353)</u>	<u>(9,663,836)</u>
	<u>21,636,898</u>	<u>21,652,174</u>

- Hotel expenses include an amount of KD 886,177 that represents the current year depreciation of the hotel building & ballroom and related equipments (KD 837,263 - 31 December 2024).

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

<p>- Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between one to five years, with the option of renewal for similar periods. All operating lease contracts contain contractual terms relating to the revision of the lease value to reflect the market value in case the tenant uses the option of renewal. The lessee does not have an option to purchase the property at the expiry of the lease period.</p>		
22. Gain from investments	2025	2024
Investment at FVOCI		
Cash dividends	2,502,903	2,632,555
Investments at fair value through profit or loss		
Change in fair value – gain	1,839,177	4,679,583
Cash dividends	1,050,048	632,568
Profit from sale	-	421,019
	<u>2,889,225</u>	<u>5,733,170</u>
	<u>5,392,128</u>	<u>8,365,725</u>
23. Gain / (losses) on sale of land and properties held for trading	2025	2024
Sale of land and properties held for trading	218,145	280,671
Cost of sold land and properties held for trading	(228,813)	(187,677)
	<u>(10,668)</u>	<u>92,994</u>
24. Provision and impairment	2025	2024
(impairment)/Reversal related to advance payment for purchase of lands and others	(12,750)	125,175
Net movement in provision for credit losses of lease receivables	165,351	(10,121)
	<u>152,601</u>	<u>115,054</u>
25. Earnings per share attributable to the Parent Company's shareholders		
<p>Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year (excluding treasury shares). Diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year (excluding treasury shares) plus the weighted average number of ordinary shares to be issued upon conversion of all dilutive potential ordinary shares into ordinary shares. The Parent Company had no diluted shares as at 31 December 2025/2024.</p>		
	2025	2024
Net profit for the year attributable to the shareholders of the Parent Company	16,314,480	15,594,104
Weighted average number of outstanding shares (share)	1,810,835,309	1,834,552,431
Basic earnings per share (fils)	<u>9.01</u>	<u>8.50</u>

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

26. Investments in subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and its affiliated entities as follows:

Company name	Activity	Country of incorporation	Shareholding percent (%)	
			2025	2024
Al Mutajara Real Estate Company K.S.C.C.	Real Estate	State of Kuwait	79.21	79.15
Commercial Real Estate Development Co.	Real Estate	Kingdom of Bahrain	100	100
Commeriale Real Estate Development Co.	Real Estate	Morocco	100	100
Al-Salmiya Group for Project Development Company	Real Estate	State of Kuwait	81.90	81.90
Tijaria GD	Real Estate	Cayman Islands	95.12	-
First Kuwait Front Company for Land and Real Estate Management and Development	Real Estate	State of Kuwait	100	-
Symphony Company for Receiving and Delivering Cloth form Laundry	Laundry work	State of Kuwait	100	-

Summary of the financial statements of the Group's subsidiaries where there is material NCI is as follows:

Salmiya Group for Project Development Company

	2025	2024
Current assets	679,605	1,239,420
Non-current assets	67,385,522	68,502,324
Current liabilities	3,057,650	3,421,381
Non-current liabilities	8,035,191	9,301,599
Equity attributable to shareholders of the Parent Company	46,900,381	46,780,107
Non-controlling interests	10,071,905	10,238,657
Total Revenue	3,728,939	6,367,579
Expenses	(2,147,271)	(2,131,349)
Profit for the year	1,581,668	4,236,230
Profit for the year attributable to shareholders of the Parent Company	1,219,756	3,461,378
Profit for the year attributable to non-controlling interests	361,912	774,852
Total comprehensive profit/(loss) attributable to shareholders of the Parent Company	547,591	3,181,068
Total comprehensive profit/(loss) attributable to non-controlling interests	213,363	712,903
Total comprehensive profit/(loss) for the year	760,954	3,893,971
Net cash flow generated from operating activities	5,631,350	5,770,349
Net cash flow (used in) /generated from investing activities	(2,015,896)	(1,398,365)
Net cash flow used in financing activities	(4,305,269)	(3,822,411)
Net change in cash and cash equivalents of the subsidiary	(689,815)	549,573

Al Mutajara Real Estate Company

	2025	2024
Current assets	14,899,627	14,667,737
Non-current assets	79,731,208	74,676,176
Current liabilities	3,488,184	1,978,398
Non-current liability	18,267,300	19,695,962
Equity attributable to shareholders of the Parent Company	58,260,603	53,856,319
Non-controlling interests	14,614,748	13,813,234

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	2025	2024
Total Revenue	7,866,958	6,034,674
Expenses	(1,320,470)	(1,656,829)
Profit for the year	6,546,488	4,377,845
Profit for the year attributable to shareholders of the Parent Company	5,073,746	3,302,543
Profit for the year attributable to non-controlling interests	1,472,742	1,075,302
Total comprehensive income attributable to shareholders of the Parent Company	4,107,988	3,153,017
Total comprehensive income attributable to non-controlling interests	1,219,475	1,036,067
Total comprehensive income for the year	5,327,463	4,189,084
Dividends paid to non-controlling interests	422,783	653,374
Net cash flow used in operating activities	4,080,656	2,754,392
Net cash flow (used in)/ generated from investing activities	(774,184)	194,178
Net cash flow generated from / (used in) financing activities	(2,331,635)	(2,596,159)
Net change in cash and cash equivalents of the subsidiary	974,837	352,411

27. Dividends

On 21 April 2025 the annual general assembly meeting was held and approved distribution of cash dividends to the shareholders on record as of the due date at 3% after deduction of treasury shares and 3% bonus share (3 shares per every 100 shares), for the year ended 31 December 2024 distributed in 2025. (cash dividends 4% after deduction of treasury shares and 2% bonus share from treasury shares (2 treasury shares per every 100 shares) for 31 December 2023 distributed in 2024.

Proposed dividends 2025

The Parent Company's Board of Directors proposed cash dividend of 3% after deduction of treasury shares and 3% bonus share (3 shares per 100 shares) for the year ended 31 December 2025. This proposal is subject to the shareholders' approval at the Annual General Assembly Meeting and the regulatory authorities.

28. Related parties transactions

Related parties comprise of the Group's shareholders who are members in the board of directors, key management personnel, associates and the companies, in which the Parent Company has representatives in their board. Significant related party transactions and resulting balances were as follows:

	2025	2024
Transactions		
Key management remuneration	1,197,150	1,136,695
Operating income	94,180	113,679
Losses from sale of OCI investment	-	(46,933)
Profits from sale of IFVTPL	-	307,082
Other revenues	15,527	9,896
Operating & capital expenditures and other charges	1,224,880	854,897
Purchase of additional shares of Associates	118,088	636,605
Payment for acquisition of investments	434,455	-
Balances		
Receivables and other debit balances (Note 12)	12,220	-
Payables and other credit balances (Note 20)	109,156	78,849
Key management remuneration	698,381	579,469

Balances due from/to related parties are interest-free and payable on demand. All related party transactions are subject to approval of the shareholders' General Assembly.

Consolidated Statement of Cash Flows for the year ended 31 December 2025

(All amounts are in Kuwaiti Dinar unless otherwise stated)

29. Capital commitments

	2025	2024
Uncalled capital – investments	919,916	929,380
Contracts for projects under development	1,611,164	3,401,733
	<u>2,531,080</u>	<u>4,331,113</u>

30. Contingent liabilities

	2025	2024
Letter of guarantee	3,019,602	4,291,067

31. Segment information

A segment is a distinguishable component of the Group that engages in business activities from which it earns revenues and incurs costs. The operating segments are used by the management of the Group to allocate resources and assess performance. Operating segments exhibiting similar economic characteristics, products and services, class of customers where appropriate are aggregated and reported as reportable segments. The Group is organized into three major business segments; real estate, hotel and investment. These segments results are reported to senior executive management. Further, the Group's operating results, assets and liabilities are reported according to geographical areas, in which it operates. Revenue, profits, assets and liabilities are measured according to the same accounting bases adopted in preparation of the consolidated financial statements.

Business segment analysis in line with internal reports submitted to the management is as follows:

	2025			
	Real estate sector	Hotel	Investment sector	Total
Revenue	30,214,771	4,339,987	10,839,226	45,393,984
Direct cost	(8,166,189)	(3,560,159)	(373,036)	(12,099,384)
Gross profit	22,048,582	779,828	10,466,190	33,294,600
Unallocated costs				(15,145,466)
Net profit				<u>18,149,134</u>

	2024			
	Real estate sector	Hotel	Investment sector	Total
Revenue	26,348,740	4,127,076	13,600,779	44,076,595
Direct cost	(7,619,453)	(3,387,437)	(222,733)	(11,229,623)
Gross profit	18,729,287	739,639	13,378,046	32,846,972
Unallocated costs				(15,402,714)
Net profit				<u>17,444,258</u>

Geographic distribution

	2025			
	State of Kuwait	Gulf Countries	Other	Total
Total income	30,826,774	2,517,028	1,867,387	35,211,189
Total expenses	(16,442,343)	(619,114)	(598)	(17,062,055)
Net profit	14,384,431	1,897,914	1,866,789	<u>18,149,134</u>

	2024			
	State of Kuwait	Gulf Countries	Other	Total
Total income	26,361,079	5,427,534	3,179,012	34,967,625
Total expenses	(16,767,914)	(901,025)	145,572	(17,523,367)
Net profit	9,593,165	4,526,509	3,324,584	<u>17,444,258</u>

Geographic distribution of assets and liabilities

	Assets		Liabilities	
	2025	2024	2025	2024
State of Kuwait	437,145,548	421,372,706	263,088,723	250,809,917
Gulf countries	75,847,123	72,065,478	2,011,806	2,986,308
Other	76,537,869	80,750,695	-	-
	<u>589,530,540</u>	<u>574,188,879</u>	<u>265,100,529</u>	<u>253,796,225</u>

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